area handbook series

Mexico
a country study

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Federal Research Division
Library of Congress
Edited by
Tim L. Merrill and
Ramón Miró
Research Completed
June 1996

On the cover: A giant stone warrior from the Toltec temple of Tlahuizcalpantecuhtli in Tula

Fourth Edition, First Printing, 1997.

Library of Congress Cataloging-in-Publication Data

Mexico : a country study / Federal Research Division, Library of Congress ; edited by Tim L. Merrill and Ramón Miró. — 4th ed.

p. cm. — (Area handbook series, ISSN 1057–5294) (DA Pam ; 550–79)

"Supersedes the 1985 edition of Mexico : a country study, edited by James D. Rudolph."—T.p. verso.

"Research completed June 1996."

Includes bibliographical references (pp. 353–381) and index.

ISBN 0–8444-0855–7 (hardcover : alk. paper)

1. Mexico. I. Merrill, Tim, 1949– . II. Miró, Ramón, 1968– . III. Library of Congress. Federal Research Division. IV. Series. V. Series: DA Pam ; 550–79.

F1208.M5828 1997 97–13481
972—DC21 CIP

Headquarters, Department of the Army
DA Pam 550–79

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Foreword

This volume is one in a continuing series of books prepared by the Federal Research Division of the Library of Congress under the Country Studies/Area Handbook Program sponsored by the Department of the Army. The last two pages of this book list the other published studies.

Most books in the series deal with a particular foreign country, describing and analyzing its political, economic, social, and national security systems and institutions, and examining the interrelationships of those systems and the ways they are shaped by historical and cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic understanding of the observed society, striving for a dynamic rather than a static portrayal. Particular attention is devoted to the people who make up the society, their origins, dominant beliefs and values, their common interests and the issues on which they are divided, the nature and extent of their involvement with national institutions, and their attitudes toward each other and toward their social system and political order.

The books represent the analysis of the authors and should not be construed as an expression of an official United States government position, policy, or decision. The authors have sought to adhere to accepted standards of scholarly objectivity. Corrections, additions, and suggestions for changes from readers will be welcomed for use in future editions.

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Acknowledgments

The authors would like to acknowledge the contributions of Elizabeth de Lima-Dantas, Robert S. North, Jorge P. Osterling, Craig H. Robinson, and Phyllis Greene Walker, who wrote the 1985 edition of *Mexico: A Country Study.* The present volume incorporates portions of their work.

The authors are grateful to individuals in various government agencies and private institutions who gave of their time, research materials, and expertise in the production of this book. None of these individuals is, however, in any way responsible for the work of the authors.

The authors also would like to thank those people on the staff of the Federal Research Division who contributed directly to the preparation of the manuscript. They include Sandra W. Meditz, who reviewed drafts, provided valuable advice on all aspects of production, and conducted liaison with the sponsoring agency; Marilyn L. Majeska, who managed editing and production; Andrea T. Merrill, who edited figures and tables; Janie L. Gilchrist and Izella Watson, who did word processing and initial typesetting; and Stephen C. Cranton and Janie L. Gilchrist, who prepared the camera-ready copy. In addition, thanks go to Christopher R. Conte and Ayo I. Mseka, who edited chapters; Beverly Wolpert, who performed the final prepublication editorial review; and Sandi Schroeder, who compiled the index.

Thanks also go to David P. Cabitto of the Federal Research Division, who provided valuable graphics support and prepared the maps with the assistance of Maryland Mapping and Graphics. Special thanks go to Wayne Horne, who designed the cover, and to Gustavo Mendoza, who designed the illustrations for each title page. Finally, the authors acknowledge the generosity of the individuals and the public and private agencies who allowed their photographs to be used in this study.

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Preface

Like its predecessor, this study is an attempt to examine objectively and concisely the dominant historical, social, economic, political, and military aspects of contemporary Mexico. Sources of information included scholarly books, journals, monographs, official reports of governments and international organizations, and numerous periodicals. Chapter bibliographies appear at the end of the book; brief comments on sources recommended for further reading appear at the end of each chapter. To the extent possible, place-names follow the system adopted by the United States Board on Geographic Names. Measurements are given in the metric system; a conversion table is provided to assist readers unfamiliar with metric measurements (see table 1, Appendix A). A glossary is also included.

Although there are numerous variations, Spanish surnames for men and unmarried women usually consist of two parts: the patrilineal name followed by the matrilineal. In the instance of Luis Echeverría Álvarez, for example, Echeverría is his father's name; Álvarez, his mother's maiden name. In informal use, the matrilineal name is often dropped. When a woman marries, she generally drops her matrilineal name and replaces it with her husband's patrilineal name preceded by a "de." Thus, when Cristina García Rodríguez marries Antonio Pérez Cevallos, she becomes Cristina García de Pérez. In informal use, a married woman's patrilineal name is dropped (Cristina Pérez is the informal usage). Some individuals use only the patrilineal name in formal as well as informal use. The patrilineal for men and unmarried women and the husband's patrilineal for married women are used for indexing and bibliographic purposes.

The body of the text reflects information available as of May 1996. Certain other portions of the text, however, have been updated. The Introduction discusses significant events that have occurred since the completion of research; the Country Profile and Glossary include updated information as available; several figures and tables are based on information in more recently published sources; and the Bibliography lists recent sources thought to be particularly helpful to the reader.

Table A. Chronology of Important Events

Period	Description
PRE-COLUMBIAN	
ca. 10,000 B.C.	First hunters and gatherers reach area of present-day Mexico.
ca. 1500 B.C.	Villages appear, and inhabitants produce clay products.
ca. 200 B.C.–A.D. 100	Monte Albán civilization in southern Mexico.
ca. A.D. 1–650	Teotihuacán civilization in central Mexico.
ca. A.D. 600–900	Classic Mayan civilization in the Yucatan peninsula.
early 1300s	Aztec arrive in the Valley of Mexico.
1376	First Aztec king crowned.
1502–20	Reign of Moctezuma II (Montezuma).
COLONIAL	
1519–21	Hernán Cortés and about 700 men conquer the Aztec Empire.
early sixteenth century	Colonial administration established. European settlers pour into colony seeking wealth. Native population decimated by disease and harsh labor practices.
late sixteenth century	Ranching and industry grow, and mining expands.
seventeenth century	Colony stagnates. Society becomes stratified along racial and social lines.
eighteenth century	Reforms by new Bourbon monarchs in Spain revitalize colony. Immigration increases, and economy and trade expand.
late eighteenth century	Pressure for independence builds, especially among criollos.
1808–13	French occupation of Spain throws colonies into political turmoil.
1810	Grito de Dolores (Cry of Dolores)—Miguel Hidalgo y Costilla's call for independence—on September 16.
1811	Hidalgo executed. Independence movement led by José María Morelos y Pavón.
1815–20	Morelos executed. Independence movement degenerates into sporadic guerrilla fighting. Vicente Guerrero most important guerrilla leader.
EARLY INDEPENDENCE	
1821	Colonization grant given to Moses Austin to settle Texas. Plan of Iguala proclaims Mexican independence. Augustín de Iturbide and Spanish envoy sign Treaty of Córdoba recognizing Mexico's independence; treaty not honored by Spanish government, however.
1822	Army of the Three Guarantees occupies Mexico City under Iturbide's command. Iturbide becomes emperor of Mexico as Agustín I. Iturbide deposed, and republic proclaimed by Antonio López de Santa Anna Pérez de Lebrón.
1823	Guadelupe Victoria becomes first Mexican president.
1824	Federal republican government is established under new constitution. Guerrero becomes president.

Table A. (Continued) Chronology of Important Events

Period	Description
1828	Santa Anna repels Spain's attempt to regain control of Mexico. Guerrero abolishes slavery as means of discouraging migration of United States southerners to Texas.
1830	Political disturbances. Rebellion drives Guerrero from presidency. Immigration to Texas from United States prohibited but not enforced.
1833–34	Santa Anna elected president in 1833. Dictatorship established in 1834. End of first liberal reforms. Tithes abolished.
1835–36	Texas pioneers seek independence from Mexico in 1835, achieving it in March 1836. Santa Anna defeated and forced to recognize independence of Texas. Spain and Vatican recognize Mexican republic in 1836.
1837	Anastasio Bustamante becomes president, initiating a process of centralization.
1841	Conservative rebellion against Bustamante. Santa Anna's dictatorship.
1842	Santa Anna retires to his hacienda and leaves government to Nicolás Bravo.
1843	Santa Anna chosen as president of Mexico.
1844	Santa Anna forced into exile.
1845	Santa Anna returns to Mexico. Annexation of Texas by United States.
1846	Mexico severs diplomatic relations with United States. Beginning of Mexican-American War.
1848	Treaty of Guadalupe Hidalgo ends Mexican-American War. Texan independence confirmed. United States annexes territories of Upper California and New Mexico.
1853	Santa Anna returns to Mexico and becomes president. Sells additional territory to United States under Gadsden Purchase.
1854	Triumph of Plan of Ayutla under leadership of Benito Juárez.
1855	Santa Anna resigns in August. Juárez Law ends *fueros* (privileges) enjoyed by military and clergy.
1857	Constitution of 1857 promulgated.
1858–61	War of the Reform between conservatives/clericalists and liberals engulfs country in three years of bitter struggle. After liberal victory, Juárez promulgates Reform Laws, establishing nationalization of ecclesiastical properties without compensation, as well as suppression of religious orders.
1861	Moratorium on foreign debt payments. Tripartite agreement for intervention signed by Britain, France, and Spain.
FRENCH INTERVENTION	
1862	French forces march on capital but suffer defeat at Puebla.

Table A. (Continued) Chronology of Important Events

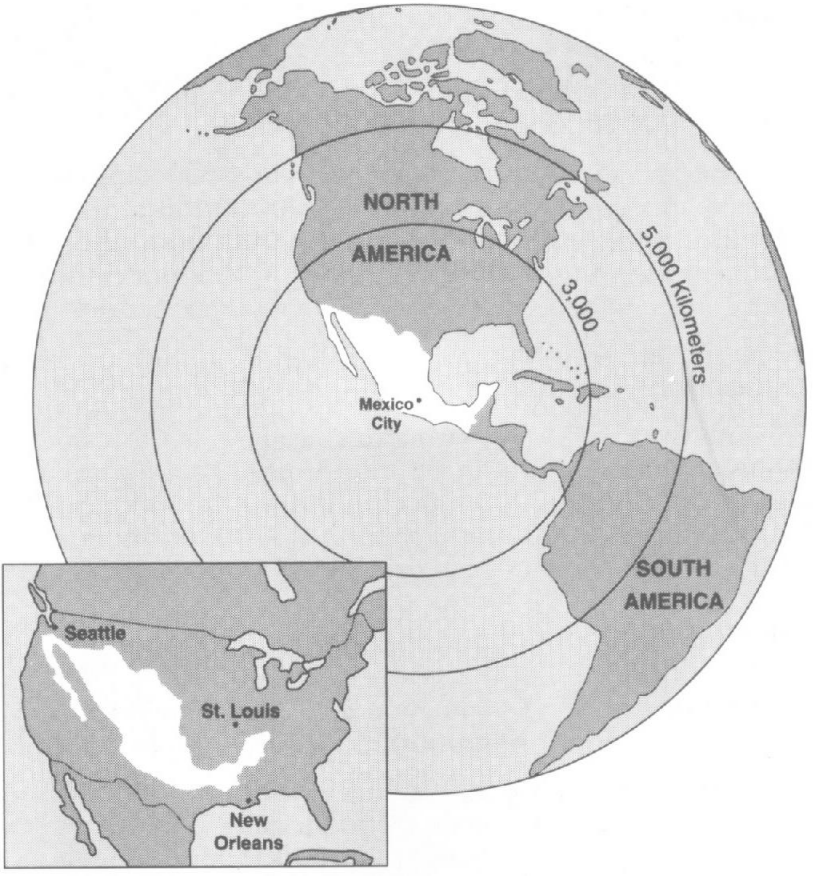
Period	Description
1863	French enter Puebla, then Mexico City. Juárez forced to abandon the city.
1864	Ferdinand Maximilian Joseph's reign as Maximilian I begins. He confirms Reform Laws, except for those that refer to indigenous communities.
1866	French troops depart.
1867	Juárez offensive takes place. Maximilian surrenders at Querétaro and is executed. Juárez moves his government to Mexico City and becomes president.
RESTORATION AND PORFIRIATO	
1872	Death of Juárez. Sebastián Lerdo de Tejada inaugurated president.
1873	Reform Laws incorporated into Mexican constitution confirming separation of church and state.
1876	José de la Cruz Porfirio Díaz leads rebellion on platform of "no reelection" and starts his presidential career, which lasts for thirty-four years (except 1880–84), of "order and progress." Finances, trade, industry, and mining sector modernized. Political ideology based on positivism.
1880	United States railroad companies receive favorable concessions; railroad boom.
1880–84	Presidency of Manuel González.
1884	Mining code reformed. Subsoil ownership given to landowners. Reelection of Díaz.
1888	Constitution changed to allow Díaz to succeed himself.
1904	Constitution changed to allow for six-year presidential term.
1906	Proclamation against Díaz issued by the liberals in St. Louis, Missouri.
1908	Díaz states his intention of not seeking reelection in interview. Francisco I. Madero publishes *The Presidential Succession of 1910.*
REVOLUTION	
1910	Mexico's 100 years of independence celebrated. Seventh reelection of Díaz. Madero's Plan of San Luis Potosí. Rebellion breaks out in north and in Puebla.
1911	Rebellion spreads throughout Mexico. After attack on Ciudad Juárez, Díaz resigns. Madero returns in triumph to Mexico City and is elected to presidency. Emiliano Zapata publishes Plan of Ayala demanding quick reforms.
1912	Pascual Orozco rebels against Madero. Victoriano Huerta's troops crush rebellion. Huerta exiled to France. Zapata and Francisco "Pancho" Villa enter Mexico City. Venustiano Carranza establishes constitutional government at Veracruz.
1913	Madero overthrown by coup d'état staged by Felix Díaz and Huerta. Madero assassinated. Carranza, Villa, and Álvaro Obregón lead northern rebellion

Table A. (Continued) Chronology of Important Events

Period	Description
	while Zapata remains in charge of southern rebel forces. Huerta deposed and Congress dissolved.
1914	United States troops land at Veracruz. Huerta defeated and forced into exile.
1915	Obregón turns against Villa. Villa continues to fight and raids United States border towns for next five years. Carranza recognized by United States as chief of government forces.
1916	General John J. "Blackjack" Pershing's punitive expedition pursues Villa and provokes bitterness between Mexico and United States.
1917	Constitution of 1917 promulgated. Carranza elected president.
POST-REVOLUTION	
1920	Obregón rebels. Carranza dies. Obregón elected president.
1923	United States recognizes Obregón government.
1924	Plutarco Elías Calles elected president.
1926	Anticlerical policies spark Cristero Rebellion.
1927	Constitution of 1917 amended to extend presidential term to six years.
1928	Calles succeeded by Obregón, who is assassinated before taking office. Calles, who is to remain political strongman through 1935, chooses Emilio Portes Gil as president.
1929	Cristero Rebellion suppressed. Founding of official political party—National Revolutionary Party (Partido Nacional Revolucionario—PNR). Pascual Ortiz Rubio elected president of country, but Calles remains as recognized political boss.
1930	Portes Gil succeeded by Ortiz Rubio as president.
1932	Ortiz Rubio resigns; Abelardo Rodríguez chosen to complete term.
1934–40	Lázaro Cárdenas presidency. Forced exile of Calles (1936). Cárdenas begins socialist policies. Agrarian reform establishes *ejidos* (see Glossary) and collectivization. Official party renamed Party of the Mexican Revolution (Partido de la Revolución Mexicana—PRM); includes representatives from all sectors of society. Nationalization of oil industry in 1938.
MODERN	
1940–46	Manuel Ávila Camacho presidency. Mexico joins Allies in declaring war on Axis powers. PRM reorganized to provide wider representation and renamed Institutional Revolutionary Party (Partido Revolucionario Institucional—PRI). *Bracero* (migrant Mexican worker) agreement established between Mexico and United States.
1946–52	Miguel Alemán Valdés presidency. Industrialization, public works, and creation of a new campus for the National Autonomous University of Mexico (Universidad Nacional Autónoma de México—UNAM).

Table A. (Continued) Chronology of Important Events

Period	Description
	Urban growth at expense of agrarian improvements. Per capita agricultural production reaches prerevolutionary levels. Inter-American Treaty of Reciprocal Assistance signed in 1947.
1952–58	Adolfo Ruiz Cortines presidency. Women's suffrage extended to national level. Beginning of political stability through appointment of PRI candidates to presidency.
1958–64	Adolfo López Mateos presidency. Increased foreign investments in Mexico and control of economy by foreign (mainly United States) interests. Land redistribution policies and increased agricultural production. Greater participation of minority parties in political process.
1964–70	Gustavo Díaz Ordaz presidency. Termination of *bracero* program. Foreign firms operate in Mexico on grand scale. Student unrest leads to Tlatelolco Massacre in 1968.
1970–76	Luis Echeverría Álvarez presidency. Emphasis by Mexico on participation in Third World policies against imperialism and foreign economic control. Oil boom in Chiapas and Tabasco. Economic difficulties.
1976–82	José López Portillo y Pacheco presidency. Mexico becomes world's fourth largest producer of oil and also one of world's leading debtor countries. Political reform, leading to increase of minority party representation in Chamber of Deputies by proportional representation system. Foreign debt and inflation soar. Government corruption rampant.
1982–88	Miguel de la Madrid Hurtado presidency. Economy contracts, and standard of living falls. Foreign debt renegotiated. Government adopts economic austerity measures.
1988–94	Carlos Salinas de Gortari presidency. Continuation of austerity policies leads to upturn in economy. Government takes steps to control corruption. Free-trade measures introduced. Mexico joins North American Free Trade Agreement (NAFTA). Measures taken to open governorships to opposition parties. Guerrilla group, Zapatista Army of National Liberation (Ejército Zapatista de Liberación Nacional—EZLN) appears in Chiapas. PRI nominee for next *sexenio*, Donald Luis Colosio Murrieta, assassinated.
1994–	Ernesto Zedillo Ponce de León presidency. Devaluation of new peso leads to investor panic and near-economic collapse; massive foreign intervention required to stabilize situation. Military action against Zapatistas results in stalemate. Former President Salinas leaves country in disgrace amid charges of corruption and possible involvement in series of assassinations.



Country

Formal Name: United Mexican States (Estados Unidos Mexicanos).

Short Form: Mexico.

Term for Citizen(s): Mexican(s).

Capital: Mexico City (called México or Ciudad de México in country).

Date of Independence: September 16, 1810 (from Spain).

National Holidays: May 5, commemorating the victory over the

French at the Battle of Puebla; September 16, Independence Day.

Geography

Size: 1,972,550 square kilometers—third largest nation in Latin America (after Brazil and Argentina).

Topography: Various massive mountain ranges including Sierra Madre Occidental in west, Sierra Madre Oriental in east, Cordillera Neovolcánica in center, and Sierra Madre del Sur in south; lowlands largely along coasts and in Yucatan Peninsula. Interior of country high plateau. Frequent seismic activity.

Drainage: Few navigable rivers. Most rivers short and run from mountain ranges to coast.

Climate: Great variations owing to considerable north-south extension and variations in altitude. Most of country has two seasons: wet (June–September) and dry (October–April). Generally low rainfall in interior and north. Abundant rainfall along east coast, in south, and in Yucatan Peninsula.

Society

Population: Estimated population of 94.8 million persons in mid-1996. Annual rate of growth 1.96 percent.

Language: Spanish official language, spoken by nearly all. About 8 percent of population speaks an indigenous language; most of these people speak Spanish as second language. Knowledge of English increasing rapidly, especially among business people, the middle class, returned emigrants, and the young.

Ethnic Groups: Predominantly mestizo society (60 percent); 30 percent indigenous; 9 percent European; 1 percent other.

Education and Literacy: Secretariat of Public Education has overall responsibility for all levels of education system. Compulsory education to age sixteen; public education free. Government distributes free textbooks and workbooks to all primary schools. Official literacy rate in 1990 was 88 percent.

Health and Welfare: Health care personnel and facilities generally concentrated in urban areas; care in rural areas confined to understaffed clinics operated mostly by medical

graduate students. Life expectancy in 1996 estimated at seventy-three years. Infant mortality twenty-six per 1,000 live births. Leading causes of death infections, parasitic diseases, and respiratory and circulatory system failures.

Religion: About 90 percent of population Roman Catholic, according to 1990 census. Protestants (about 6 percent) ranked second. Number of Protestants has increased dramatically since 1960s, especially in southern states.

Economy

Overview: From a colonial economy based largely on mining, especially silver, in the twentieth century, the economy has diversified to include strong agriculture, petroleum, and industry sectors. Strong growth from 1940–80 interrupted by series of economic crises, caused in part by massive overborrowing. 1980s marked by inflation and lowering standard of living. Austerity measures and introduction of free-market policies led to a period of growth from 1990–94. Membership in North American Free Trade Agreement (NAFTA) in 1993 led to hopes of continued economic growth. However, growing trade deficit and overvalued exchange rate in 1994 financed by sale of short-term bonds and foreign-exchange reserves. Series of political shocks and devaluation of new peso in late 1994 caused investor panic. Inflation soared, and massive foreign intervention was required to stabilize situation. Although overall economy remains fundamentally strong, lack of confidence makes short-term prospects for strong growth unlikely.

Gross Domestic Product (GDP): Estimated at US$370 billion in 1994; approximately US$4,100 per capita.

Currency and Exchange Rate: Relatively stable throughout most of twentieth century, the peso (Mex$) began to depreciate rapidly during economic crisis of 1980s. In January 1993, peso replaced by new peso (NMex$) at rate of NMex$1 = Mex$1,000. Exchange rate in January 1993, US$1 = NMex$3.1; rate in April 1997, US$1 = NMex$7.9.

Agriculture: Contributed 8.1 percent of GDP in 1994. Main crops for domestic consumption corn, beans, wheat, and rice. Leading agricultural exports coffee, cotton, vegetables, fruit,

livestock, and tobacco.

Industry: Mining, manufacturing, and construction contributed 28 percent of GDP in 1994. Industrialization increased rapidly after 1940. By 1990 large and diversified industrial base located largely in industrial triangle of Mexico City, Monterrey, and Guadalajara. Most industrial goods produced, including automobiles, consumer goods, steel, and petrochemicals. World's sixth largest producer of petroleum and major producer of nonfuel minerals.

Energy: More than 120 billion kilowatt-hours produced in 1993, about 75 percent from thermal (mostly oil-burning) plants, 20 percent from hydroelectric, and the rest from nuclear or geothermal plants. One nuclear plant with two reactors at Laguna Verde in Veracruz State. Huge petroleum deposits discovered in Gulf of Mexico in 1970s. In 1995 sixth-largest producer of oil and had eighth-largest proven reserves.

Exports: US$60.8 billion in 1994. Manufactured exports include processed food products, textiles, chemicals, machinery, and steel. Other important export items are metals and minerals, livestock, fish, and agricultural products. Major exports to United States are petroleum, automotive engines, silver, shrimp, coffee, and winter vegetables.

Imports: US$79.4 billion in 1994. Main imports are metal-working machines, steel-mill products, agricultural machines, chemicals, and capital goods. Leading imports from United States include motor vehicle parts, automatic data processing parts, aircraft repair parts, car parts for assembly, and paper and paperboard.

Debt: Massive foreign debt. Buoyed by discovery of large petroleum reserves, government borrowed heavily in 1970s. When severe recession hit in 1982, government declared moratorium on debt payments, precipitating international economic crisis. Austerity measures and renegotiation of the debt eased crisis, but in 1995 debt stood at US$158.2 billion.

Balance of Payments: Large trade deficits from 1989 to 1993 pushed current account deeply into deficit. Dramatic improvement in trade balance in 1994 and 1995, however, nearly eliminated deficit. Heavy international borrowing allowed international reserves to rise to US$15.7 billion at end of 1995.

Fiscal Year: Calendar year.

Transportation and Telecommunications

Roads: Extensive system of roads linking all areas. More than 240,000 kilometers of roads, of which 85,000 paved (more than 3,100 kilometers expressway). Heaviest concentration in central Mexico. Many roads in poor condition as result of lack of maintenance and heavy truck traffic.

Railroads: More than 20,000 kilometers. Standard gauge, largely government-owned. System concentrated in north and central areas. Numerous connections to United States railroads; system largely used for freight and in need of modernization. Extensive, heavily used subway system in Mexico City; smaller subway in Guadalajara.

Ports: No good natural harbors. On east coast, Veracruz is principal port for cargo; Tampico, Coatzacoalcos, and Progreso handle petroleum. Guaymas, Mazatlán, and Manzanillo are principal ports on Pacific.

Air Transport: Adequate system of airlines and airports. More than 1,500 airstrips in 1994, of which 202 had permanent-surface runways. Principal international airport in Mexico City; other international airports in Monterrey, Guadalajara, Mérida, and Cancún. Aéromexico is main domestic airline.

Telecommunications: Highly developed system undergoing expansion and privatization. Long-distance telephone calls go via mix of microwave and domestic satellite links with 120 ground stations. International calls via five satellite ground stations and microwave links to United States. Demand still exceeds supply for new telephones in homes, but situation improving. More than 600 mediumwave amplitude modulation (AM) stations, privately owned. Twenty-two shortwave AM stations. Almost 300 television stations, most organized into two national networks.

Government and Politics

Government: Constitution of 1917 in force in 1997. Formally a federal republic, although federal government dominates governments of thirty-one states and Federal District. Central government power concentrated in president, who directs activities of numerous agencies and state-owned business enterprises. Bicameral legislature (128-member Senate and

500-member Chamber of Deputies) relatively weak. Federal judiciary headed by Supreme Court of Justice. State governments headed by elected governors; all states have unicameral legislatures; state courts subordinate to federal courts. Federal District governed by mayor (*regente*) indirectly elected by legislative body of the Federal District beginning in 1996; more than 2,000 local governments headed by elected municipal presidents and municipal councils.

Politics: Authoritarian system governed by president, who cannot be reelected to another six-year term. Major political organization Institutional Revolutionary Party (Partido Revolucionario Institucional—PRI), which incorporates peasant groups, labor unions, and many middle-class organizations within its ranks. Many opposition parties have had limited electoral success; largest is the conservative Party of National Action (Partido de Acción Nacional—PAN). Direct elections at regular intervals; rule of no reelection applies to most offices. Election by majority vote, except for 200 seats in Chamber of Deputies reserved for opposition parties chosen by proportional representation. Extensive participation by interest groups and labor unions in government and PRI affairs.

Foreign Relations: Major attention devoted to United States. Trade and immigration along shared border subjects of continuing negotiations. Foreign policy traditionally based on international law; nonintervention the major principle. Widely active in hemispheric affairs, including good relations with Cuba.

International Agreements and Memberships: Party to Inter-American Treaty of Reciprocal Assistance (Rio Treaty). Membership in international organizations includes Organization of American States and its specialized agencies, United Nations and its specialized agencies, Latin American Alliance for Economic Development, and Latin American Economic System. Joined NAFTA in 1993.

National Security

Armed Forces: Total strength in 1996 about 175,000 active-duty personnel. Army, 130,000; air force, 8,000; and navy (including naval aviation and marines), 37,000. Approximately 60,000 conscripts, selected by lottery. Reserve force of 300,000.

Women serving in armed forces have same legal rights and duties as men but in practice not eligible to serve in combat positions, be admitted to service academies, or be promoted beyond rank equivalent of major general in United States armed forces.

Military Units: Two government ministries responsible for national defense: Secretariat of National Defense and Secretariat of the Navy. Country divided into nine military regions with thirty-six military zones. Each military zone usually assigned at least two infantry battalions composed of some 300 troops each; some zones also assigned cavalry regiments (now motorized) or one of three artillery battalions. Personnel assigned to air force also within command structure of Secretariat of National Defense, distributed among air base installations throughout country. Principal air base, Military Air Base Number 1, located at Santa Lucía in state of México. Personnel under command of Secretariat of the Navy assigned to one of seventeen naval installations located in each coastal state.

Equipment: Under modernization program begun in 1970s, armed forces began to replace aging World War II-vintage equipment. Attention also given to development of domestic military industry. Mexican navy benefited significantly in terms of new vessels—most domestically built. Plans for additional acquisitions from abroad constrained by country's economic problems.

Police: Various federal, state, and local police provide internal security. Senior law enforcement organization is Federal Judicial Police, controlled by attorney general, with nationwide jurisdiction. More than 3,000 members in 1996. Each state and the Federal District has its own force, as do most municipalities. Low pay and corruption remain serious problems at all levels. Protection and Transit Directorate—known as "Traffic Police"—major Mexico City police force; in 1996 employed some 29,000 personnel.

Figure 1. Administrative Divisions, 1996

Introduction

CULTURALLY, POLITICALLY, AND ECONOMICALLY, Mexico is a nation undergoing rapid change. Past characterizations of the country as rural, undemocratic, and protectionist have been replaced in the last decades of the twentieth century by descriptions that refer to Mexico as urban, opening to democracy, and market-oriented. For a country composed mostly of peasants before the Revolution (1910–20), Mexico has undergone broad and rapid urbanization; Mexico City has emerged as one of the world's largest cities at the end of the twentieth century. Throughout most of its history, Mexico has been ruled by strongmen or a one-party system; in 1997 pressures for an open democracy are greater than ever. Under the presidencies of Carlos Salinas de Gortari (1988–94) and Ernesto Zedillo Ponce de León (1994–), the economy, long one of the most protectionist and statist of the nonsocialist countries, dramatically about-faced, embracing open-market policies and free-trade links with the United States and countries throughout the Americas.

Mexico's history is long. Although the timing of the arrival of the first inhabitants to the Americas has been a point of major controversy among archaeologists, recent archaeological findings indicate that tribes from northeast Asia walked across what is now the Bering Straits perhaps as early as 35,000 years ago. Finding abundant wildlife these peoples gradually moved south, populating the entire Americas over the next several thousand years.

In the area of present-day Mexico, the earliest settlers found a rugged and varied topography with only limited areas suited for human habitation. Viewed from space, modern Mexico roughly resembles a cornucopia, wide at the top but narrowing and curving to the east as it stretches southward. At the southern tip of the "cornucopia," the rectangular Yucatan Peninsula, described by some as a thumb, extends northward into the Caribbean Sea. Another discongruous piece of land, the Baja California Peninsula, is a long sliver of land offshore and paralleling the northwest coast.

The land itself is characterized by a roughly Y-shaped series of mountain ranges. The two forks of the Y are rugged ranges that parallel the northern parts of the Pacific and Gulf of Mex-

ico coasts. The base of the Yis a spine of mountains, with occasional breaks, that extends from central Mexico into Guatemala on the south. The center of the Yis a knot of active volcanoes in the center of the country, just south of Mexico City. Between the two northern ranges lies a high arid plateau, and the small coastal plains outside these mountain ranges are tropical rain forests. The Yucatan Peninsula is a flat humid jungle, and the Baja California Peninsula is a desert with yet another low mountain range running down its center.

Although most of the land has warm temperatures year round, lack of rainfall and rugged terrain were obstacles for the early inhabitants. Only the narrow coastal plains, the Yucatan Peninsula, and a few valleys in the southern area of the central plateau or in the volcanic central regions receive reliable rainfall for crops. Despite these constrictions, evidence indicates that between 7000 B.C. and 2000 B.C., corn had been domesticated, and agricultural villages had sprung up. By 1500 B.C., the Olmec, the first of a string of civilizations in Middle America, flourished.

The next three millennia would see a series of civilizations, each built on some of the advancements and traditions of its predecessors. After the Olmec in what is now called the Classic Period (0–A.D. 700), the Teotihuacán, Veracruz, and Monte Albán cultures built large ceremonial cities in south-central and eastern Mexico. From A.D. 700 to A.D. 900 in the Yucatan, the classic phase of the Maya civilization, considered by most archaeologists to be the most advanced pre-Columbian civilization in the Americas, was at its zenith. After A.D. 900, the center of power and culture shifted to the Valley of Mexico, site of present-day Mexico City, with the development of the Toltec and finally the Aztec empires.

The destruction of the Aztec Empire by the Spanish conquistadors in 1519 was one of the most decisive events in Mexican history. Aided by superior firepower and technology, and carrying deadly diseases for which the native inhabitants had no immunity, a band of several hundred European soldiers of fortune overran an empire of millions of inhabitants. In one of history's greatest epic stories, one which still reverberates in the Mexican psyche of today, a great civilization was virtually wiped out and replaced by an alien culture and political system. The Aztec capital of Tenochtitlán was leveled, and atop the ruins the Spanish built Mexico City, capital of half of their vast colonial empire in the New World.

Fueled by its rich silver mines, a new colonial society emerged stratified by race and wealth. The upper echelon was European, in the middle were people of mixed European-indigenous heritage, and at the bottom were the descendants of the native peoples who had survived the European onslaught of the 1500s. The Roman Catholic Church was omnipresent in all aspects of society, religion, and education. The colony was ruled by a viceroy appointed by the king of Spain.

Troubled by turmoil in Europe and influenced by the liberal ideas of French and American philosophers and the French and American revolutions, voices in Mexico began agitating for independence in the late 1700s and early 1800s. The formal break began with a proclamation by Father Miguel Hidalgo on September 16, 1810. The struggle for independence was long and fitful, however, and freedom from Spain was not finally realized until 1821.

Despite hopes that independence would bring political and economic change for the nation's masses, in reality the only change was in the country's ruler. For the next several decades, various strongmen held power. A disastrous war in 1848 resulted in the country ceding more than half its territory to the United States. A civil war in the late 1850s set the stage for a brief democratic interlude under President Benito Juárez, a French occupation and the establishment of an empire under Maximilian I, and finally the beginning of a dictatorship in 1871 under Porfirio Díaz that would last four decades.

Historians' view of the Porfiriato, as the dictatorship of Porfirio Díaz is called, is a schizophrenic one. On the one hand, the dictator opened the country to development, building a modern system of railroads, roads, factories, and schools. On the other hand (and this is the view stressed in Mexico's version of its history), the wealth generated by this period of political stability and increased trade was concentrated in a small upper class while the condition of the lower classes degenerated. Indigenous traditions or associations were totally rejected while European fashion and mores were slavishly imitated.

In 1910 the pent-up resentment of the lower classes coincided with the political disaffection of middle-class intellectuals, producing the series of violent political convulsions known as the Mexican Revolution. Rebel groups sprang up across the nation, and Díaz resigned. Instead of uniting, however, the rebel groups soon turned on each other. Various men, supported by one of the rebel factions or remnants of the former

central government, held the presidency in rapid succession as fighting swept back and forth over the country. Although they disagreed over who should run the country, the leaders of the Revolution were united in their calls for social justice, land reform, and a new sense of nationalism based on Mexico's indigenous heritage. When the fighting finally ended in 1920, the ideals that they evoked defined the new Mexican nation that emerged.

The constitution of 1917, still in effect, established the present-day framework of Mexican politics. A strong president with a six-year term, a relatively weak legislature dominated by the party of the Revolution, and a nominally independent judiciary were all established. The Roman Catholic Church was stripped of most of its properties and formal power. Much of the land was taken from large landowners and organized into *ejidos* (see Glossary), or communes, for peasants to work. Heavily influenced by foreign liberal and leftist ideas and born of a popular revolution against oppression, the constitution had a decided revolutionary cast. The National Revolutionary Party (Partido Nacional Revolucionario—PNR) was formed in 1929 to successfully carry out the constitution's goals (the party later added the adjective "institutional" to indicate the consolidation of the redistribution phase of the revolutionary program—Partido Revolucionario Institucional—PRI).

The extent to which post-revolutionary administrations have implemented revolutionary ideals has been a benchmark by which Mexican historians have generally judged these administrations. Administrations in the 1920s and 1930s adhered to these goals more faithfully, the most significant act during these years being the nationalization of the petroleum industry. Post-1940 governments, however, seemed more concerned with political stability and economic growth than with land reform or new social programs.

The Revolution also had a profound effect on the role of the military. Formerly one of the largest and most influential players in Mexican politics, the armed forces were reduced in size after 1920 and their role redefined as one of guaranteeing domestic political stability. Quelling social unrest and eliminating guerrilla activity became their primary duties. As "servants of the people," units were more likely to be involved in development-oriented civic action than in training to defend the country from foreign intervention.

The Revolution added another irritant in the frequently stormy relations between the governments of Mexico and the United States. Long at odds over a variety of issues—including Mexican bitterness over territory lost in the Mexican War of 1848 and political and military interventions by the United States in Mexican affairs—the United States was alarmed by the leftist tone of revolutionary rhetoric and Mexico's friendliness with socialist governments and revolutionary movements worldwide. Often fueled by unspoken prejudices and stereotypes on both sides, friction between the two countries sometimes resulted in chilly relations and bitter denunciations by politicians. Not until the end of the twentieth century, when the two countries realized how economically interdependent they had become, did the rhetoric cool and genuine attempts at cooperation and understanding each other's political position occur.

Economic growth was probably the most significant legacy of the PRI in the mid-twentieth century. From 1940 to 1980, growth was rapid and sustained. The nation's vast mineral wealth was exploited. Petroleum reserves, estimated to be among the largest in the world, were used by the government to develop new petrochemical industries. Agriculture diversified and expanded, and government planners gave particular emphasis to the development of new crops for export. The industrial sector accounted for an ever larger share of the economy, and *maquiladoras* (see Glossary), or assembly plants along the United States border, grew exponentially. By 1980 Mexico was the world's fifteenth largest industrial nation.

Although the numbers of Mexicans who could be classified as middle class rose, the benefits of economic growth were not shared by all of Mexico's citizens. The stark inequality that had characterized Mexico at the turn of the century was not significantly ameliorated by the processes of modernization that began in the 1940s. Despite the economy's rapid growth rate in the post-World War II period, an even faster rate of population growth meant that the economy could not produce sufficient jobs for the many millions of young people entering the workforce every year. The exhaustion of the land available for redistribution in the 1950s also created conditions of severe rural unemployment. Beginning in the 1950s, rural-to-urban migration began to change the face of Mexico from a predominantly rural to an urban society. The search for work often resulted in displaced workers living in worse conditions than before. The

population of Mexico City, for example, swelled to 15 million in the 1990s, with millions living in miserable slums on hillsides or on marginal land on the outskirts of the city. Statistics on standard of living indices showed improvement in some urban areas and throughout the north, but few improvements in the south, where Mexico's population tended to be more rural and more heavily mestizo or indigenous.

The PRI's legacy of political stability and economic growth generated little enthusiasm or gratitude among the Mexican people. In fact, the opposite occurred, as the rise of an urban middle class produced pressures for political reform during the 1980s. Either by legal or fraudulent means, the PRI consistently won every election at the state and national levels, ceding only the occasional municipality to the conservative National Action Party (Partido de Acción Nacional—PAN) or to government-financed "satellite" parties. Widespread corruption only heightened cynicism. Corruption became synonymous with all government dealings, from the presidency to daily life, where most Mexicans had to bribe petty government officials to obtain basic public services. The PRI, the party of revolutionary change in the early years of the century, was now seen as the primary obstacle to reform.

Beginning in the mid-1980s, the PRI's overwhelming dominance over the political system began to decline. The massive earthquake that struck Mexico City in 1985 underscored the corruption and ineptitude of the authorities, who were slow to provide relief to the hundreds of thousands made homeless by the natural catastrophe. Spurred by government inaction, hundreds of nongovernmental civic associations arose in the aftermath of the Mexico City earthquake. In addition to providing resources for community self-help, many of these new organizations became a nucleus for opposition political activity during the latter 1980s.

The national elections of 1988 were a turning point in twentieth-century Mexican politics. For the first time in its six decades of continuous rule, the PRI's presidential candidate faced a formidable challenger in the person of Cuauhtémoc Cárdenas, a former PRI leader who had defected from the party because of its emerging free-market stance and its authoritarian practices. Ironically, Cárdenas was the son of one of the PRI's greatest national heros, President Lázaro Cárdenas (1934–40). During the late 1930s and early 1940s, the elder Cárdenas had assured his place in the annals of Mexican his-

tory by reviving the country's moribund land reform and by taking the unprecedented step of nationalizing the foreign-owned oil companies in Mexico.

After an intense campaign that was bitterly fought by both sides, the PRI's candidate, Carlos Salinas de Gortari, was declared the winner. The election results, which were delayed by a week because of a mysterious breakdown of the electoral computer system, were immediately contested by Cárdenas and his supporters. The Cárdenas camp alleged that the PRI had caused the computer malfunction and had systematically destroyed thousands of ballots to produce a last-minute victory for its candidate. Despite the left's protests, Salinas was sworn in as president in December 1988. The ensuing *sexenio* (as Mexico's six-year presidential term is commonly known) would be characterized by the most dramatic transition in Mexico's political economy since the 1910 Revolution.

As he began his presidential term, Salinas appeared to most Mexicans as an obscure but competent figure chosen from among several contenders within the cabinet of outgoing President Miguel de la Madrid Hurtado (1982–88). Salinas, however, faced a storm of opposition protests and bitter divisions within his own party. Moreover, for the first time in its history, the PRI held less than a two-thirds majority in the national Congress, a fact that would necessitate cooperation with the congressional opposition in order to pass the broad constitutional reforms needed to liberalize the economy.

The newly elected president was hard-pressed in the first months of his term to show that he could provide the strong leadership expected of a Mexican head of state. Salinas was quick to assert his authority, however. Within weeks of taking office, he ordered the army to arrest the corrupt leader of the powerful oil-workers union, who had been a vocal opponent of Salinas's candidacy. Throughout his term, Salinas repeatedly used his extensive powers to remove PRI officials, including several state governors who resisted his reform efforts or whose fraudulent election victories were too controversial to ignore.

Despite his stated commitment to democratization, President Salinas significantly augmented the already formidable powers of the executive branch. To push a series of sweeping economic reforms through the political system, Salinas concentrated broad policy-making authority in a technocratic elite committed to market economics, trade liberalization, and rapprochement with the United States. By the early 1990s, the Sali-

nas administration's priorities had become clear. Political reform would be encouraged, but primary emphasis would be placed on the economic aspects of modernization.

Building on the policies of President de la Madrid, the Salinas administration carried out a comprehensive structural transformation of the Mexican economy. Salinas's domestic macroeconomic policies put into practice a package of market-oriented reforms endorsed by the United States and international financial organizations; these reforms collectively became known as the "Washington consensus." The three pillars of Mexico's structural adjustment program were the privatization of the country's vast network of parastatals, the liberalization of its foreign trade, and the modernization of its financial system.

It was through its comprehensive economic program, rather than its political reforms, that the Salinas administration left a lasting impact on Mexico. By the time Salinas entered office, Mexico had already dramatically reversed its foreign trade practices by acceding to the General Agreement on Tariffs and Trade (GATT—as of January 1995 became known as the World Trade Organization) in August 1986. As a result of its accession to GATT, Mexico unilaterally lowered its average tariff level from 100 percent ad valorem to a structure with a top rate of 20 percent. At the same time, it reduced or eliminated many nontariff barriers such as import licenses and quotas, the combined effect of which had been to close the Mexican market to most foreign imports for more than fifty years.

The Salinas administration expanded the process of structural adjustment begun by its predecessor. A key element of the government's structural adjustment program was the privatization of Mexico's vast network of parastatal industries. Between 1986 and 1994, the government privatized more than 700 state-owned companies, including all eighteen government-owned commercial banks, the national telephone company, a national television network, airlines, movie theaters, several sugar- and food-processing plants, several large copper mines, steel production facilities, and the maritime port system. The sale of state-owned companies generated US$22 billion in government revenues, the majority of which was used to reduce the massive foreign debt and to finance new infrastructure and social expenditures.

In addition to the sale of state companies, the government also undertook a major overhaul of its Byzantine financial and

regulatory systems. The Salinas administration oversaw the privatization of the domestic commercial banks and the passage of a new national Law of Banking and Credit that thoroughly modernized domestic banking. Opportunities for foreign investment, which had been severely restricted since the Revolution, were expanded considerably under the 1993 Foreign Investment Law. For the first time since the Revolution, foreigners were allowed to own commercial and residential property directly, rather than through a Mexican intermediary. New commercial and securities market regulations encouraged a massive influx of foreign direct and portfolio investment during the early 1990s. The most visible consequence of increased foreign investment was the explosive growth of the in-bond (tariff and tax-free) *maquiladora* manufacturing plants along the Mexico-United States border. Additionally, after 1993 the capitalization of the Mexican stock market soared, as a new generation of foreign (mainly United States) investors sought the higher returns afforded by emerging markets such as Mexico's.

The dramatic restructuring and austerity measures of the Salinas years produced a positive turnaround in Mexico's macroeconomic performance, although they did not produce the sustained high growth rates which many had hoped for. Annual inflation fell from 159 percent in 1987 to 6.7 percent during the first three quarters of 1994. Concurrently, the average annual economic growth rate between 1988 and 1994 was a modest 2.6 percent. Unemployment and underemployment remained high, especially in the countryside, fueling record levels of legal and illegal migration to the United States. Moreover, the new prosperity was unevenly distributed, being largely concentrated in the north and among a minority of relatively well-educated, urban professionals and white-collar workers.

Perhaps the single most important catalyst for the transformation of Mexican economic policy was the Salinas administration's ambitious goal of participating as a full partner in the emerging North American free-trade zone begun by Canada and the United States in the early 1990s. President Salinas and his advisers viewed Mexico's integration into the world trading system as the only viable basis for their country's future long-term growth. Bowing to geographic reality, Salinas discarded decades of protectionist and nationalistic practices by past Mexican governments to forge a close and lasting economic and political partnership with the United States. The objective

was nothing less than Mexico's full incorporation into the emerging North American financial and trading bloc. In 1991 Mexico began negotiations with Canada and the United States on the terms of a trilateral free-trade treaty, the North American Free Trade Agreement (NAFTA).

NAFTA became the cornerstone of Mexico's reform efforts and the ultimate test of its recognition as a new entrant in the community of modern nations. In preparation for Mexico's accession to NAFTA, the Salinas administration redoubled its efforts to open its markets and to increase the competitiveness of its domestic economy. Mexico also became more receptive to United States concerns on a range of bilateral issues, including narcotics trafficking and illegal immigration. In response to international pressure, the Mexican government improved its human rights practices and made the electoral process more transparent. In the weeks preceding the vote on ratification of NAFTA by the United States Congress, Mexico and the United States negotiated a series of side agreements on environmental protection that helped assure the entry into force of the treaty on January 1, 1994.

The ratification of NAFTA boosted international confidence in the Mexican economy, spurring an influx of foreign capital and fueling predictions of an imminent economic boom. National opinion polls showed President Salinas's popularity to be at an all-time high, and the PRI was preparing to pass the mantle of the presidency to Salinas's handpicked successor, Luis Donaldo Colosio Murrieta, in the August 1994 presidential election.

The triumphant mood in Mexico City was dashed on January 1, 1994, the day NAFTA entered into force, when a heretofore unknown insurgent group, the Zapatista Army of National Liberation (Ejército Zapatista de Liberación Nacional—EZLN), briefly took over four municipalities in the southern state of Chiapas. The Zapatistas, as members of the EZLN came to be known, consisted of several hundred indigenous people from the Chiapas highlands as well as a leadership and support network of white, university-educated Marxists and former guerrillas. The Zapatistas justified their armed movement and their violent takeover of the Chiapas municipalities as gestures of protest against the market-oriented economic policies of the Salinas administration, including NAFTA. These policies were blamed for the worsening living conditions of Mexico's rural poor. Additionally, the Zapatistas decried the state's historical

discrimination and neglect of Mexico's indigenous communities and the authoritarian practices of the ruling PRI. The Chiapas rebellion galvanized the Mexican left and created a heightened awareness of the difficult circumstances of many of Mexico's indigenous people. It also provoked a strong military reaction and shattered the image of stability that the Salinas administration had tried to project to the world.

An even greater setback to Mexico's stability occurred on March 22, 1994, when PRI presidential candidate Colosio was assassinated at a campaign rally in the northern city of Tijuana. The Colosio murder was the first major instance of political violence against a high-level PRI official since the assassination of President Álvaro Obregón in the 1920s. Following initial reports that a lone gunman was responsible for the killing, additional evidence pointed to a conspiracy involving at least half a dozen security personnel believed to be linked to a local drug cartel.

Colosio was replaced on the PRI presidential ticket by his campaign manager and former education secretary, Ernesto Zedillo Ponce de León. The PRI once again faced a competitive election, with the main opposition challenge coming this time from the conservative PAN. Unlike the election of Salinas in 1988, the 1994 presidential election was judged by domestic and international observers to be relatively free and fair. During the months preceding the vote, the PRI had agreed to several major reforms of the electoral process, including antifraud measures such as transparent ballot boxes, photo-identification cards for voters, and the inclusion of a larger number of non-PRI seats in the National Electoral Commission. Zedillo won the election with a plurality of the vote, thus extending the PRI's dubious record as the world's longest-ruling political party (surpassing even the Communist Party of the former Soviet Union). Although Zedillo was elected to the presidency by a slimmer margin than Salinas, the results of what was probably the cleanest presidential election in modern Mexican history were accepted as legitimate by most observers and opposition groups.

The salutary effect of the August elections was not destined to endure, however. In September, another high-level PRI official, José Francisco Ruiz Massieu, was assassinated on a Mexico City street. Widespread speculation that an interfactional war was taking place within the PRI was supported by evidence linking a fugitive PRI congressman to the second killing. The scan-

dal broadened shortly after the Zedillo administration took office, when evidence was uncovered linking former president Salinas's brother, Raúl, to the Ruiz Massieu murder.

The first month of the Zedillo administration coincided with a dramatic financial crisis that dealt a severe setback to Mexico's economic recovery efforts. The crisis was rooted in Mexico's accumulation of a dangerously high current-account deficit throughout 1994. To finance increased government spending, the Mexican government had floated a large number of short-term, high-yield bonds known as *tesebonos*. As the successive political shocks of 1994 drove capital from the Mexican stock and bond markets, and as interest rates rose in the United States, the Mexican government became increasingly dependent on short-term, high-yield instruments to attract scarce capital.

Following the Ruiz Massieu assassination, Mexican investors withdrew large amounts of capital from the Mexican market. This situation made it impossible for the government to pay dividends on a series of *tesebonos* that were scheduled to mature in December. Despite its untenable financial situation, the government dismissed the possibility of a devaluation of the new peso (for value of the new peso—see Glossary), but subsequently reversed itself in late December. The devaluation and the disclosure of Mexico's short-term liquidity crisis set off a run on the new peso and caused the Mexican stock market to lose half its value. The crash of the Mexican stock market reverberated throughout Latin America and other developing countries.

The consequences of the currency crisis in Mexico were severe. Consumer interest rates shot up to an average of 80 percent, making it impossible for many borrowers to pay interest on their loans or to make credit-card payments. Mexico's expanding commercial sector was devastated, as thousands of businesses were forced into bankruptcy or were required to lay off much of their workforce. The devaluation of the currency pushed annual inflation from 6 percent to nearly 50 percent, imposing a severe burden on consumers and pushing millions of people below the poverty line.

In January 1995, the United States provided assistance to Mexico in the form of a US$20 billion emergency debt relief package. The concession by the United States government of an emergency loan to Mexico was highly controversial in both countries. To assuage congressional opposition to the loan

package, the administration of United States President William J. Clinton took the unprecedented step of requiring the Mexican government to commit its revenues from the national oil company as collateral.

As Mexico's economy stabilized in the wake of the financial crisis, a series of bizarre political events unfolded in the opening months of 1995. In the aftermath of the financial crisis, a rare public feud developed between former president Salinas and the Zedillo administration, with each side blaming the other for mishandling the crisis. Hailed as a modernizer just a few months before, Salinas had become the main target of public blame for the near-collapse of the financial system. Salinas's reputation suffered a further blow in connection with his brother Raúl's reported role in the José Francisco Ruiz Massieu assassination. Shortly after being cleared as a suspect by the attorney general's office, Salinas quietly left Mexico for apparent exile in Ireland.

Charges of high-level corruption, bribery, and the role of drug money in the assassination of government officials continued to grow. Despite convictions for the 1994 murder of PRI official José Francisco Ruiz Massieu, the motives behind the killing remained unanswered. Questions about the assassination increased when, in November 1994, Mario Ruiz Massieu, Mexico's assistant attorney general, younger brother of José Francisco Ruiz Massieu and the official in charge of the murder investigation, abruptly resigned, claiming that high-ranking PRI officials were thwarting his investigation efforts. When the investigation resumed with a new prosecutor in charge, Raúl Salinas de Gotari, brother of the former president, was arrested and charged with hiring a hit man to murder José Francisco Ruiz Massieu. It was widely assumed that pressure from high government officials to ignore Salinas's involvement was the reason for Mario Ruiz Massieu's resignation.

On March 2, 1995, Mario Ruiz Massieu was arrested at Newark International Airport before boarding a plan for Spain and charged by United States customs officials with failing to declare US$46,000. He was placed under house arrest, and proceedings for deportation began. Investigations of Mario Ruiz Massieu's finances revealed a US$9 million bank account in Houston. United States federal prosecutors charged that the money had come from Mexican drug traffickers, and a civil trial to seize the money began in February 1997. Despite claims from Mario Ruiz Massieu that the money was obtained legally,

documents and witnesses in the civil trial claimed that the money had come from payoffs from drug traffickers to avoid prosecution. The case began to be called the "Mexican Watergate" as the Mexico City newspapers *El Proceso* and *La Jornada* published documents from the trial that also implicated former president Salinas and his brother Raúl in drug trafficking. Other stories implied that payoffs from drug traffickers might have played a role in the José Francisco Ruiz Massieu killing and in Mario Ruiz Massieu's resignation from the investigation.

As the Mario Ruiz Massieu investigation and trial continued, another drug-related scandal broke. On February 18, General Jesús Gutiérrez Rebollo, newly appointed head of the National Institute to Combat Drugs, was fired and arrested. While Gutiérrez Rebollo aggressively prosecuted several Mexican drug cartels in his ten weeks in office, he allegedly protected the Ciudad Juárez drug cartel leader, Amado Carillo Fuentes. Known as the "lord of the skies," Carillo Fuentes used a fleet of Boeing 747s to ferry cocaine from Colombia to Mexico and then to the United States. The revelations of bribery and involvement in drug trafficking were particularly embarrassing to the Mexican military, long considered the one institution in Mexico largely untouched by corruption. That assumption was again challenged when, in March 1997, Brigadier General Alfredo Navarro Lara was arrested and accused of trafficking, bribery, and criminal conspiracy in a protection scheme involving a Tijuana-based drug cartel.

In an effort to clean up the scandal-ridden National Institute to Combat Drugs, Attorney General Jorge Madrazo Cuéllar named Mariano Federico Herrán Salvatti as the institute's new head. Herrán had previously served as the top prosecutor in Mexico City, and underwent extensive background checks and drug and lie detector tests before being offered the position. All employees of the institute were given drug tests, and, in another embarrassment, the attorney general's office reported that 424 tested positive, about half of those for cocaine use. In his swearing in, Herrán reported that his greatest challenge would be "recovering the confidence lost and damaged by corruption, impunity, and the irresponsible actions of many bad public servants over many years."

The scandals surrounding the Colosio and Ruiz Massieu assassinations underscored a growing problem of corruption of Mexican political and law enforcement institutions and coin-

cided with a surge in criminal activity in much of the country. By the mid-1990s, local drug mafias with connections to Colombian drug cartels posed a serious challenge to state authority in several remote areas of Mexico. With their control over enormous sums of money, manpower, and real estate, the cartels were able to evade prosecution through a combination of innovation and outright bribery of local officials and law enforcement agencies. In some cases, entire local and state law enforcement agencies had been effectively neutralized through the payment of bribes and the placement of local drug cartel informants in police units. These measures allowed the cartels to establish relatively secure transshipment corridors for United States-bound drugs. Mexican authorities reported that drug traffickers had even resorted to buying and retrofitting old airliners to carry cocaine from South America to the Mexico-United States border region.

Organized crime not only represented a direct challenge to the rule of law but also was indirectly responsible for undermining democratic institutions. Evidence gathered from the Colosio and Ruiz Massieu murder investigations suggested that the drug cartels may have formed alliances with some of the informal political networks within the PRI. Reports in the Mexican media of corruption by public officials and law enforcement agencies eroded the public's confidence in Mexico's political institutions and created a climate of severe cynicism and mistrust of all politicians.

The erosion of public confidence in government agencies was reinforced by the apparent inability of police to stem a growing tide of criminal behavior in Mexico City and other large urban areas. By the mid-1990s, the problem of rising organized and common crime—a problem that Mexico shared with several other countries undergoing simultaneous democratic reform and economic austerity—had become a paramount public concern.

Responding to domestic and international pressure to fight crime and reduce official corruption, during the first weeks of his administration President Zedillo outlined a plan for the overhaul of the justice system and the professionalization of police agencies. To demonstrate his resolve to solve the 1994 assassination cases, Zedillo took the unusual step of appointing as attorney general a well-respected member of the opposition PAN.

President Zedillo's reform efforts were derailed by the financial crisis and by the continuation of guerrilla activity in Chiapas and, subsequently, in the states of Guerrero and Oaxaca. In April 1995, Zedillo ordered a major military offensive against the Zapatistas and their urban command structure. The operation managed to disrupt the Zapatistas' urban support network, but failed to capture the guerrillas' eccentric field commander and spokesman, Subcommander Marcos.

The government's war against narcotrafficking, as well as its counterinsurgency efforts in Chiapas and Guerrero, raised the military's profile in Mexico's civilian-dominated political system. The military, whose role since the 1940s has been largely confined to civic action and disaster-relief activities, despite some instances of corruption, was increasingly being called upon to replace unreliable police agencies in the interdiction of narcotics shipments. The army's indefinite deployment in Chiapas and Guerrero, which also represented a significant expansion of its mission, prompted some observers to warn of a growing political role for the military in the Mexican political system.

By early 1997, the Mexican economy had stabilized and the political system was continuing its gradual transition toward increased representativeness and responsiveness. Throughout 1996 the opposition PAN won a number of important municipal and gubernatorial elections. The left did not fare as well as the right, having failed to regain the momentum it had acquired during the late 1980s. The opposition victories in 1996 set the stage for strong challenges to the PRI in the 1997 midterm congressional elections, the first balloting for the key post of mayor of Mexico City in the summer of 1997, and the 2000 presidential race.

In the medium term, Mexico faces the continuing challenge of carrying through its political and economic reforms in the face of further potential setbacks. A major challenge facing Mexico is that of restoring healthy economic growth and improving domestic productivity and national competitiveness in global markets. Mexico's participation in NAFTA provides strong incentives and opportunities to increase the competitiveness of the Mexican economy. One of the key problems will be to continue opening the economy while minimizing the potentially destabilizing human costs of economic dislocation, particularly of rural communities that have been threatened in the short run by freer trade.

Another key problem facing Mexico into the twenty-first century will be that of promoting balanced development among the country's diverse regions. Data from the 1990 national census show a declining but still significant gap in basic quality-of-life and educational indicators between the relatively prosperous north and the less developed south and southwest. Once sustained growth is restored, Mexico will be challenged to overcome the wide regional disparities that threaten to create, in effect, two Mexicos.

Finally, Mexico appears to be undergoing a fundamental transformation of its political culture. The corporatist patterns of political participation that were promoted by the PRI during its sixty-year period of undisputed rule are being replaced by more liberal forms of civic association. Recent electoral reforms and opposition victories at the state and local levels suggest that Mexico is in transition from a one-party authoritarian system to a multiparty democracy. During the first half of his term, President Zedillo took significant steps to weaken the historically strong link between the PRI and the state. The reform process is threatened, however, by the growing problem of crime and the penetration of the state by criminal organizations. One of the principal political challenges facing President Zedillo and his successors will be that of fashioning a robust response to crime that does not resort to authoritarian methods that could reverse the reform process.

March 24, 1997 Tim Merrill and Ramón Miró

Chapter 1. Historical Setting

The conquest of Tenochtitlán, adapted from two paintings by Diego Rivera

MEXICO'S MANY ARCHAEOLOGICAL treasures, its architectural wealth, and its diverse population provide physical clues to a past that has given rise to stories of migration, settlement, conquest, and nation-building. The cultural heritage of the Aztec, the Maya, and other advanced civilizations, seen in the ruins of their temples and in their artifacts, bears witness to the achievements of the early inhabitants of Mesoamerica (see Glossary). Following a pattern that spans the pre-Columbian era to modern times, new civilizations have been built on the ruins of the old. In this ongoing process of cultural superimposition, many elements of the past have endured, despite occasional efforts to root out traditional practices and native identities. A major change came with the Spanish conquest. The conquest caused a traumatic break in the ebb and flow of native kingdoms and led to a single, albeit stratified, society that was neither wholly native nor European, but mestizo.

The conquistadors unified the populations of the former Mesoamerican kingdoms under the rule of a militaristic and theocratic Spanish monarchy. After early attempts by the conquerors and their descendants to establish a decentralized feudal society, central aristocratic authority prevailed. Throughout the colonial period, a distinctly "Mexican" national identity was emerging among the mestizo and creole inhabitants of New Spain. By the early nineteenth century, Spain's mercantilist trade policies and its discrimination against native-born Mexicans in colonial business and administrative affairs fostered widespread resentment and a desire for greater autonomy. The geopolitical crisis of the Napoleonic wars and the influence of Enlightenment ideas provoked a sudden break with Madrid in 1810.

In the aftermath of independence, Mexico suffered a prolonged tumultuous period of factionalism and foreign intervention. Riven by bitter disputes between conservatives and liberals and governed by a series of military strongmen, the country languished in political turmoil while it lost half of its territory to an expanding United States. Stability, when it was finally achieved at the close of the nineteenth century, was imposed by the modernizing but politically repressive regime of José de la Cruz Porfirio Díaz.

Throughout most of the nineteenth century, Mexico's population was denied opportunities for individual prosperity and fair and equal treatment before the law. In a country that remained predominantly rural until the 1950s, landlessness and rural unemployment had become endemic. The suppression of civil liberties and the excessive concentration of wealth during the Porfiriato (the name given to the years of the Porfirio Díaz dictatorship, 1876–1910) polarized Mexican society and eventually led to the bitter and destructive factional wars collectively known as the Mexican Revolution. After nearly a decade of devastating warfare, the combatants came together in the town of Querétaro in 1917 to draft a grand compromise that would incorporate the ideals of the diverse revolutionary factions.

The constitution of 1917 gave Mexicans the legal and ideological framework on which to base national development: equality before the law, national self-determination, and a state-mediated balance between private property rights and social welfare objectives. In the decades that followed, different Mexican administrations would alternatively promote redistribution or economic growth, depending on a variety of circumstances.

By the late twentieth century, the burgeoning Mexican state could no longer assure the Revolution's promise of growth with equity. After decades of semiauthoritarian rule by the dominant Institutional Revolutionary Party (Partido Revolucionario Institucional—PRI), corruption and excessive clientelism had overshadowed the ideal of equality before the law. Poverty, although lessened, continued to beset half of the population. The debt crisis of the early 1980s marked the end of Mexico's protectionist, state-centered economic model and set the stage for far-reaching trade and financial liberalization and systematic privatization of key industries. By the early 1990s, Mexico's economy was thoroughly integrated into the global market, and a renascent civil society was exercising increasing autonomy from Mexico's corporatist political institutions. Mexico thus approached the end of the twentieth century in a state of profound transition (see fig. 1).

Preconquest Mexico

Despite Mexico's rich pre-Columbian history, following the Spanish conquest in 1519, the country's new rulers made a concerted attempt to erase all things related to indigenous cultures. Conquerors and missionaries felt divinely inspired to

"civilize and evangelize" the native peoples of the New World. The attempts to Europeanize and Christianize Mexico led to the devaluation of much of the indigenous culture for the next 400 years.

This situation was finally reversed in the 1920s during what has become known as the cultural phase of the Revolution, when a conscious effort was undertaken to search for a national cultural identity known as *mexicanidad* ("Mexicanness"). The search for this new national consciousness resulted in a renewed appreciation of the advanced civilizations encountered by the Spanish in 1519. Since the 1920s, extensive scholarship has been devoted to native Mexican values and the cultural expressions of those indigenous values in contemporary society.

Ancient Mexico

The first humans in the Americas were descendants of northeast Asian nomads who took part in a series of migrations across the Bering Strait perhaps as early as 30,000 B.C. Archaeological evidence testifies to the presence of early hunters and gatherers in Mexico around 10,000 to 8000 B.C. During the next few thousand years, humans domesticated indigenous plants, such as corn, squash, and beans. With a constant food supply assured, people became permanent settlers. Leisure time became available and was used for developing technical and cultural skills. Villages appeared as the number of people and food supplies increased. By 1500 B.C., the early inhabitants were producing handmade clay figurines and sophisticated clayware.

Between 200 B.C. and A.D. 900, Mesoamerica was the scene of highly developed civilizations. Archaeologists have designated this Classic Period as the Golden Age of Mexico. This era was a time when the arts and sciences reached their apex, when a writing system developed, and when a sophisticated mathematical system permitted the accurate recording of time. Religion was polytheistic, revering the forces of nature in the gods of rain, water, the sun, and the moon. The most important deity was Quetzalcóatl, the feathered serpent and the essence of life, from whom all knowledge derived. Metals came into use only by the end of the period, but despite this handicap, impressive architectural structures in the pyramids at Teotihuacán near Mexico City, the Pyramid of the Niches at El Tajín in

the state of Veracruz, and the Temple of the Sun at Palenque in present-day Chiapas were built and survive to this day.

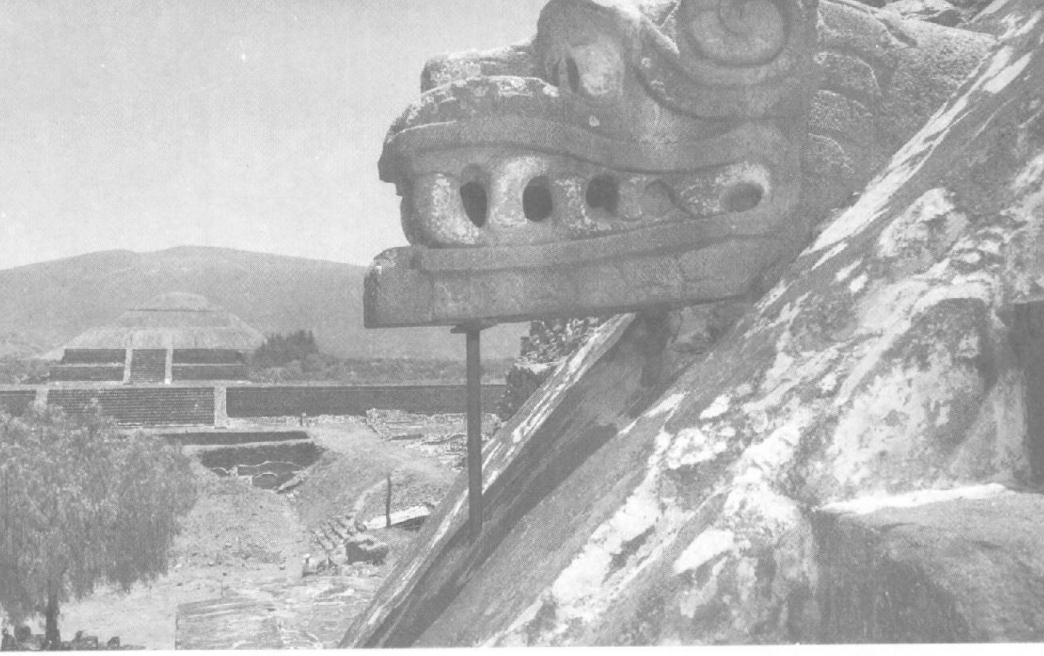
These civilizations produced pottery, statuary, and ornate buildings, despite their being supported by a simple agricultural economy based on the cultivation of a few staples. Social stratification produced a ruling class of priests and intellectuals who oversaw the labor and social affairs of the peasant majority.

The three most important Classic sites were Teotihuacán (in central Mexico), Monte Albán (to the south in the state of Oaxaca), and the Mayan complexes (in the states of Chiapas, Tabasco, Campeche, Yucatán, and Quintana Roo, as well as in the nearby countries of Honduras, Guatemala, and Belize). The fall of Teotihuacán around A.D. 650 effectively transferred the center of power from central Mexico to the Mayan city states of the Yucatan Peninsula. The lowland Mayan culture flourished from A.D. 600 to A.D. 900 when it abruptly declined. The exact causes of this rapid fall remain unknown, but archaeologists speculate that it might have been because of one or a combination of factors: bad harvests, plague, drought, ecological problems from overpopulation, or pressure from more warlike neighbors. Whatever the factors may have been, they provided the groundwork for the next phase, the Post-Classic period, which would be a radical change from the Classic.

The main characteristic of the Post-Classic period was a sudden surge of militarism. The population underwent great turmoil and numerous migrations; people moved everywhere and anywhere they could find allies to fight their common enemies. Wars ceased to be waged for territorial expansion and became a means for exacting tribute and for capturing prisoners to be sacrificed to the gods. For the first time, architecture centered on defense and fortification. Numerous civilizations rose and fell during this period, including the Toltec in central Mexico and the Zapotec and Mixtec in southern Mexico.

The Aztec

Throughout its long history of human habitation, the Valley of Mexico drew people from Mesoamerica who were attracted by its abundant sources of water, easy communication, and plentiful game and vegetation. The valley was a corridor through which many migrating groups passed and sometimes settled. During the pre-Columbian era, the valley was in con-



Pyramids at Teotihuacán
Ceremonial temple at Palenque
Courtesy Arturo Salinas

stant turmoil except when central authority and political hegemony existed.

The last nomadic arrivals in the valley were the Mexica, more commonly known as the Aztec. Although recent linguistic and archaeological work suggests the Aztec may have come from northwest Mexico, their origins are obscure. According to legend, the Aztec came from Aztlán, a mythical place to the north of the Valley of Mexico around A.D. 1100. They were said to have made their way to the valley guided by the chirps of their sun and war god Huitzilopichtli (meaning "hummingbird on the left"). The inhabitants of the valley viewed the new arrivals with suspicion and tried to prevent their settlement. After much wandering and a few wars, in the early 1300s, the Aztec reached the marshy islands in Lago de Texcoco (site of present-day Mexico City), where they saw an eagle perching on a cactus tree and holding a snake in its beak (an image reproduced on the modern Mexican flag). According to Aztec legend, this was a sign indicating where they should build their new capital city. Tenochtitlán was eventually built on an island in Lago de Texcoco and gradually became an important center in the area. Drinking water came from Chapultepec hill on the mainland, and causeways connected the island to the shores of the lake. The Aztec established a monarchy in 1376, naming Acamapichtli as their first king. By the early sixteenth century, Aztec domination reached into most of central and southern Mexico (with the exception of the Mayan areas in the southeast).

Before the settlement at Tenochtitlán, Aztec society was quite simple in its organization and was composed of peasants, warriors, and priest-rulers. Afterward, and with a much larger population, there was an increasing division of labor and a more complex social structure. The emperor was selected according to merit from among the ruling dynasty. The nobility was composed of the high priests, the military, and political leaders. The merchant class lived apart in the city and had its own courts, guilds, and gods. Commoners, the largest segment of society, were farmers, artisans, and lower-level civil servants. The lowest rung of society was composed of conquered peoples brought to Tenochtitlán as slaves.

The political structure of the Aztec empire was based on a loose coalition of city-states under the fiscal control of Tenochtitlán. The main objective of Aztec expansion was to exact tribute from conquered peoples. Tributes were in kind; cocoa,

cotton, corn, feathers, precious metals and stones, shells, and jaguar skins were among those sent. The towns also had the obligation to provide soldiers and slaves and to recognize Aztec supremacy and the supremacy of the Aztec god Huitzilopichtli. Otherwise, towns were basically free to conduct their internal affairs, and Aztec hegemony was never fully consolidated—a fact that eventually became a major element in the fall of the empire.

The Spanish Conquest

Lured by stories of the riches of the Aztec, a Spanish adventurer, Hernán (sometimes referred to as Fernando or Hernando) Cortés, assembled a fleet of eleven ships, ammunition, and over 700 men and in 1519 set sail from Cuba to Mexico. The party landed near present-day Veracruz in eastern Mexico and started its march inland. Superior firepower, resentment against the Aztec by conquered tribes in eastern Mexico, and considerable luck all aided the Spanish in their conquest of the Aztec. The Aztec and their allies had never seen horses or guns, the Spanish had interpreters who could speak Spanish, Maya, and Náhuatl (the Aztec language), and perhaps what was most important, Cortés unwittingly had the advantage of the legend of Quetzalcóatl, in which the Aztec are said to have believed that a white god would arrive in ships from the east in 1519 and destroy the native civilizations.

Unwilling to confront the mysterious arrival whom he considered a god, the Aztec emperor, Moctezuma II (anglicized as Montezuma), initially welcomed the Spanish party to the capital in November 1519. Montezuma soon was arrested, and the Spanish took control of Tenochtitlán. The Aztec chieftains staged a revolt, however, and the Spanish were forced to retreat to the east. The Spanish recruited new troops while a smallpox epidemic raged through Tenochtitlán, killing much of the population, possibly including Montezuma. By the summer of 1521, the Spanish were ready to assault the city. The battle raged for three weeks, with the superior firepower of the Spanish eventually proving decisive. The last emperor, Cuauhtémoc, was captured and killed. In the nineteenth century, the legend of Cuauhtémoc would be revived, and the last Aztec emperor would be considered a symbol of honor and courage, the first Mexican national hero.

New Spain

After the fall of Tenochtitlán, the Spaniards' task was to settle and expand the new domains on the mainland of North and Central America that became known as New Spain. Cortés dispatched several expeditions to survey the areas beyond the Valley of Mexico and to establish political control over the land and its inhabitants. Once released from the central political control of Tenochtitlán, most towns surrendered to Cortés's men. As a symbol of political continuity, the capital of the new colony was to be built squarely atop the ruins of Tenochtitlán and was renamed Mexico after the Mexica tribe.

Encomiendas

The conquest of the Aztec empire required an enormous effort and a tremendous sacrifice by Cortés's army, and after their victory, the soldiers demanded what they had come for: prestige and wealth. The spoils from the city largely had been lost; Cortés had to resort to some other strategy to provide for his men. The conquistador had already surveyed all Aztec records related to tributes and tributary towns, and on the basis of this information, he decided to distribute grants of people and land among his men. This practice had already been tried in the Caribbean, and Cortés himself had received *encomiendas*, grants of land and people, in Hispaniola in 1509 and in Cuba in 1511. Granting *encomiendas* became an institution throughout New Spain to ensure subordination of the conquered populations and the use of their labor by the Spanish colonizers, as well as a means to reward Spanish subjects for services rendered to the crown.

The *encomienda* was a Spanish institution of Roman origin, and in the New World, the Spanish government established a series of rights and obligations between the *encomendero* (grantee) and the people under his care. The indigenous people were required to provide tribute and free labor to the *encomendero*, who was responsible for their welfare, their assimilation into Spanish culture, and their Christianization. Political and social stratification among the *encomenderos* was easily achieved by the simple fact that there were communities of different sizes. The larger the grant, the larger the amount of tribute and labor available, and thus the greater the potential wealth and prestige of the assignment. In reality, the native population was accustomed to a similar organization of tribu-

tary towns under the Aztec. In time, the *encomenderos* became the New World version of Spanish feudal lords. This new source of political power came to worry the Spanish authorities because of the dangers of a local nobility capable of contending peninsular authority.

Although disease and hardship decimated the indigenous population, increasing numbers of Spaniards arrived with great expectations of new wealth. Along with this flow of Europeans came the African slaves, who were directed to the central areas of New Spain. In 1549 the Spanish government ended yearlong labor obligations, as well as payment of tribute. To compensate for this loss, the crown instituted a new system of forced labor allotments (*repartimientos*) of forty-five days a year, for which every person was to be paid in wages. The *repartimiento* became a source of abuse by employers who would pay wages in advance and then obligate workers indefinitely as repayment.

In the late seventeenth and early eighteenth centuries, royal control of the granting of *encomiendas* became more strict. On November 13, 1717, a royal decree abolished *encomiendas*, an act that was confirmed by other decrees in 1720 and 1721. However, in the most remote areas, *encomiendas* were often kept throughout the colonial period in complete defiance of the royal decree in order to populate these regions.

Colonial Administration

The first royal judicial body established in New Spain in 1527 was the *audiencia* of Mexico City. The *audiencia* consisted of four judges, who also held executive and legislative powers. The crown, however, was aware of the need to create a post that would carry the weight of royal authority beyond local allegiances. In 1535 control of the bureaucracy was handed over to Antonio de Mendoza, who was named the first viceroy of New Spain (1535–50). His duties were extensive but excluded judicial matters entrusted to the *audiencia*.

Viceregal power was characterized by a certain amount of independence from royal control, mainly because of distance and difficult communications with the mother country. Viceroys were notorious for applying orders with discretion, using the maxim "I obey but do not comply." In addition, viceroys and *audiencias* were in conflict most of the time, with the latter not responsible to the viceroy but reporting directly to the crown.

By the end of the seventeenth century, the Viceroyalty of New Spain reached from New Mexico to Panama and included the Caribbean islands and the Philippines. In the most distant areas, local *audiencias* enjoyed greater autonomy, and viceregal authority was merely nominal. After the sixteenth-century expansion of power, the seventeenth century was marked by a decline in central authority, even though the administrative structure transplanted to the New World remained intact.

Socioeconomic Structures

The philosophy of mercantilism was the force behind all overseas ventures by European colonial powers. This set of ideas emphasized that the most important function of colonial possessions was to enrich the mother country. This accumulation of wealth was largely accomplished by the levy of the *quinto* (royal fifth) on all colonial production. Trade duties protected manufacturers and merchants in Spain from competition in the colonies and placed strict restrictions on the colonial economies. Mexico was required to supply raw materials to Spain, which would then produce finished goods to be sold at a profit to the colonies.

From the mid-sixteenth century on, some land grants were provided to Europeans willing to farm the land and raise livestock in underpopulated areas. The European acquisition of land often encroached upon native villages. Displacement and fear of forced labor in the early seventeenth century led entire villages to flee to larger towns, mining camps, or haciendas, where the displaced persons hired themselves out as artisans, servants, peons, or laborers. Although originally kept apart in separate "republics," close contact of all sorts with the Spaniards was responsible for the indigenous peoples' acculturation. The mestizos, who would later play the dominant role in Mexican society and history, could trace their origins to this period of intense assimilation of the two cultures (see Ethnicity and Language, ch. 2).

Agricultural production was directed to internal markets, while exports consisted mainly of precious metals and animal hides. During the initial phase of the colonial period, gold had been collected from the Aztec treasures and from some mining operations. However, silver soon became the dominant colonial product, followed by the red dye cochineal, and by the late sixteenth century, silver accounted for 80 percent of all exports from New Spain. Exploration and the search for mines led the

Spaniards to the north, far beyond the Aztec empire. The rich mines of Zacatecas, Real del Monte, Pachuca, and Guanajuato in north-central Mexico were discovered between 1546 and 1552. Silver production continued into the seventeenth century, and it employed most available labor.

During the sixteenth century, a dual economy developed in New Spain: the hacienda economy in the Valley of Mexico and the south and the frontier economy of the silver mines to the north. By the mid-seventeenth century, however, silver production collapsed when mercury, necessary to the refining process, was diverted to the silver mines of Potosí (in present-day Bolivia). The seventeenth-century mining crisis led to widespread bankruptcy among miners and hacendados (hacienda owners) and also had a negative effect on transatlantic trade. However, the financial crisis did promote the production of crude manufactures and food for domestic consumption by the growing population of New Spain.

Colonial society was stratified by race and wealth although these were not hard and fast distinctions. The three main groups were whites (European- and American-born), *castas* (mestizos), and native peoples; each had specific rights or privileges (*fueros*) and obligations in colonial society. The major *fuero* was the right of an individual to be tried by his or her peers. The church, the military, the bureaucracy, and the merchants enjoyed their set of *fueros*. Membership in the upper classes was open to whites only, particularly *peninsulares*, whites who were born in Spain and moved to the colonies. Criollos (American-born whites, also known as creoles) tended to marry *peninsulares* for reasons of upward social mobility. Nevertheless, many examples exist of race changes after birth.

The lower classes were a mixture of poor whites, *castas*, and native peoples who worked in the same occupations as whites or *castas* but who had different rights and obligations. Indigenous groups were protected from the Inquisition (the Roman Catholic court designed to combat heresy), paid head taxes, and could not own property as individuals but were the primary beneficiaries of social services in health and education. Mestizos were under the same obligations as whites but were not considered for most of the jobs in the Spanish administration. These jobs were held only by *peninsulares*. Poor whites and mestizos often competed with native people for the same jobs. The only unifying force in a society that was divided by race and privilege was the Roman Catholic Church. The clergy pro-

vided education and social services to the rich and the destitute alike, and clergy also functioned as a buffer in social conflicts.

The Road to Independence

The beginning of the eighteenth century in Spain coincided with the crowning of Spain's first Bourbon king. Under the Habsburgs, Spain had been ruined by wars abroad and conflicts at home. The new Bourbon administration that assumed power in 1707 was determined to effect structural changes in Spain's government and the economy to centralize power in the monarch. The colonies also received increased attention, mainly in terms of their defense and the reorganization of their economies.

The Bourbon Reforms

During the reign of the third Bourbon king of Spain, Charles III (1759–88), the Bourbons introduced important reforms at home and in the colonies. To modernize Mexico, higher taxes and more direct military control seemed to be necessary; to effect these changes, the government reorganized the political structure of New Spain into twelve *intendencias,* each headed by an *intendente* under a single commandant general in Mexico City, who was independent of the viceroy and reported directly to the king.

The economic reforms were directed primarily at the mining and trade sectors. Miners were given *fueros* and were allowed to organize themselves into a guild. Commerce was liberalized by allowing most Spanish ports to trade with the colonies, thus destroying the old monopoly held by the merchants of the Spanish port of Cádiz.

The Bourbon reforms changed the character of New Spain by revising governmental and economic structures. The reforms also prompted renewed migration of Spaniards to the colonies to occupy newly created government and military positions. At the same time, commerce, both legal and illegal, was growing, and independent merchants were also welcomed. The new monied classes of miners and merchants were the real promoters of the successes of the reforms enacted by the Bourbons.

Early Discontent: Criollos and Clergy

Economic expansion and a certain degree of political relax-

ation in the 1700s gave rise to greater expectations of autonomy by the colonists, especially after the republican revolutions in the United States (1776), France (1789), and Haiti (1804). Social stratification in New Spain, marked by discrepancies between the rich and the poor and between criollos and *peninsulares*, however, worked to prevent the necessary social cohesion for a revolutionary undertaking, even though the tensions for a revolution continued to build. *Peninsulares* from all walks of life believed themselves superior to their American-born counterparts. In reaction to such discrimination, criollos showed pride in things that pertained to Mexico. Criollos considered themselves subjects of the Spanish crown, however, and also abided by the doctrines of the Roman Catholic Church. More important, criollos did not want an egalitarian society—privileges were fine as long as they benefited from them.

In Europe, Napoleon Bonaparte invaded the Iberian Peninsula in 1808. When French troops entered Madrid, the Habsburg king, Charles IV, abdicated, and Napoleon named his brother Joseph Bonaparte as the new king. Many Spanish patriots in unoccupied parts of Spain declared Ferdinand VII, son of Charles IV, as the new monarch. When the news of Charles IV's abdication reached New Spain, considerable turmoil arose over the question of whether Ferdinand VII or Joseph was the legitimate ruler of the colony. Hoping to be named king of a newly independent country, Viceroy José de Iturrigaray supported the criollos of New Spain when they proposed a junta to govern the colony. *Peninsulares* realized the danger of such an association between criollos and the administration and thus orchestrated a coup d'état in 1808 to defend their privileges and standing in colonial society. After the coup, Iturrigaray was replaced by a senile puppet Spaniard, Pedro Garibay, much to the despair of the criollos.

Wars of Independence, 1810–21

The eleven-year period of civil war that marked the Mexican wars of independence was largely a byproduct of the crisis and breakdown of Spanish royal political authority throughout the American colonies. A successful independence movement in the United States had demonstrated the feasibility of a republican alternative to the European crown. For most politically articulate criollos, however, a strong cultural affinity with the mother country, a preference for stability and continuity, and alienation from Mexico's native and poor mestizo populations

were significant disincentives to a radical break with the established order. Dissatisfaction with *peninsular* administrative practices and anti-criollo discrimination at many levels of the colonial government and society were important foci of discontent, but beyond small pockets of radical conspirators, these grievances had not yet spawned a pronounced wave of proindependence criollo sentiment at the beginning of the nineteenth century.

The French occupation of Spain and the overthrow of the Iturrigaray junta created a vacuum of legitimacy, as it was no longer clear that the ad hoc *peninsular* administration represented any authority or interests other than its own. A revolt would no longer necessarily be a challenge to the paternal crown and the faith that it ostensibly defended, but would instead shake off the rule of the increasingly despised *gachupines*, as the *peninsulares* were derisively called. It was in this context that a radical criollo parish priest, Miguel Hidalgo y Costilla, was able to lead the first truly widespread insurrection for Mexican independence.

Hidalgo and Morelos

Soon after being named parish priest in the small town of Dolores, Hidalgo began to promote the establishment of various small manufacturing concerns. He realized the need for diversification of industrial activities in an area that had the mines of Guanajuato as its major business. At the same time, during his seven years at Dolores, Hidalgo promoted discussion groups at his house, where Indians, mestizos, criollos, and *peninsulares* were welcomed. The themes of these discussions were current events, to which Hidalgo added his own input of social and economic concerns. The independence movement was born out of these informal discussions and was directed against Spanish domination of political and economic life in New Spain. December 8, 1810, was set for the beginning of the uprising.

The plans were disclosed to the central government, and the conspirators were alerted that orders had been sent for their arrest. Pressed by this new development, on September 16, 1810, Hidalgo decided to strike out for independence without delay (this date is celebrated as Mexico's independence day). The church bells summoned the people, and Hidalgo asked them to join him against the Spanish government and the *peninsulares* in the famous Grito de Dolores (Cry of Dolores):

"Long live Our Lady of Guadalupe! Death to bad government! Death to the *gachupines*!" The crowd responded enthusiastically, and soon an angry mob was marching toward the regional capital of Guanajuato. The miners of Guanajuato joined with the native workers of Dolores in the massacre of all *peninsulares* who resisted them, including the local *intendente.*

From Guanajuato, the independence forces marched on to Mexico City after having captured Zacatecas, San Luis Potosí, and Valladolid. On October 30, 1810, they encountered resistance at Monte de las Cruces and, despite a rebel victory, lost momentum and did not take Mexico City. After a few more victories, the revolutionary forces moved north toward Texas. In March of the following year, the insurgents were ambushed and taken prisoner in Monclova (in the present-day state of Coahuila). Hidalgo was tried as a priest by the Holy Office of the Inquisition and found guilty of heresy and treason. He was later condemned to death. On July 31, 1811, Hidalgo was executed by firing squad. His body was mutilated, and his head was displayed in Guanajuato as a warning to other would- be insurgents.

After the death of Hidalgo, José María Morelos Pavón assumed the leadership of the revolutionary movement. Morelos took charge of the political and military aspects of the insurrection and further planned a strategic move to encircle Mexico City and to cut communications to the coastal areas. In June 1813, Morelos convoked a national congress of representatives from all of the provinces, which met at Chilpancingo in the present-day state of Guerrero to discuss the future of Mexico as an independent nation. The major points included in the document prepared by the congress were popular sovereignty, universal male suffrage, the adoption of Roman Catholicism as the official religion, abolition of slavery and forced labor, an end to government monopolies, and an end to corporal punishment. Despite initial successes by Morelos's forces, however, the colonial authorities broke the siege of Mexico City after six months, captured positions in the surrounding areas, and finally invaded Chilpancingo. In 1815 Morelos was captured and met the same fate as Hidalgo.

From 1815 to 1821, most of the fighting by those seeking independence from Spain was done by isolated guerrilla bands. Out of these bands rose two men, Guadalupe Victoria (whose real name was Manuel Félix Fernández) in Puebla and Vicente Guerrero in Oaxaca, both of whom were able to com-

mand allegiance and respect from their followers. The Spanish viceroy, however, felt the situation was under control and issued a general pardon to every rebel who would lay down his arms.

After ten years of civil war and the death of two of its founders, by early 1820 the independence movement was stalemated and close to collapse. The rebels faced stiff Spanish military resistance and the apathy of many of the most influential criollos. The violent excesses and populist zeal of Hidalgo's and Morelos's irregular armies had reinforced many criollos' fears of race and class warfare, ensuring their grudging acquiescence to conservative Spanish rule until a less bloody path to independence could be found. It was at this juncture that the machinations of a conservative military caudillo coinciding with a successful liberal rebellion in Spain, made possible a radical realignment of the proindependence forces.

Iturbide and the Plan of Iguala

In what was supposed to be the final government campaign against the insurgents, in December 1820, Viceroy Juan Ruiz de Apodaca sent a force led by a royalist criollo officer, Augustín de Iturbide, to defeat Guerrero's army in Oaxaca. Iturbide, a native of Valladolid, had gained renown for the zeal with which he persecuted Hidalgo's and Morelos's rebels during the early independence struggle. A favorite of the Mexican church hierarchy, Iturbide was the personification of conservative criollo values, devoutly religious, and committed to the defense of property rights and social privileges; he was also disgruntled at his lack of promotion and wealth.

Iturbide's assignment to the Oaxaca expedition coincided with a successful military coup in Spain against the new monarchy of Ferdinand VII. The coup leaders, who had been assembled as an expeditionary force to suppress the American independence movements, compelled a reluctant Ferdinand to sign the liberal Spanish constitution of 1812. When news of the liberal charter reached Mexico, Iturbide saw in it both a threat to the status quo and an opportunity for the criollos to gain control of Mexico. Ironically, independence was finally achieved when conservative forces in the colonies chose to rise up against a temporarily liberal regime in the mother country. After an initial clash with Guerrero's forces, Iturbide switched allegiances and invited the rebel leader to meet and discuss principles of a renewed independence struggle.

While stationed in the town of Iguala, Iturbide proclaimed three principles, or "guarantees," for Mexican independence from Spain: Mexico would be an independent monarchy governed by a transplanted King Ferdinand or some other conservative European prince, criollos and *peninsulares* would henceforth enjoy equal rights and privileges, and the Roman Catholic Church would retain its privileges and religious monopoly. After convincing his troops to accept the principles, which were promulgated on February 24, 1821, as the Plan of Iguala, Iturbide persuaded Guerrero to join his forces in support of the new conservative manifestation of the independence movement. A new army, the Army of the Three Guarantees, was then placed under Iturbide's command to enforce the Plan of Iguala. The plan was so broadly based that it pleased both patriots and loyalists. The goal of independence and the protection of Roman Catholicism brought together all factions.

Iturbide's army was joined by rebel forces from all over Mexico. When the rebels' victory became certain, the viceroy resigned. On September 27, 1821, representatives of the Spanish crown and Iturbide signed the Treaty of Córdoba, which recognized Mexican independence under the terms of the Plan of Iguala. Iturbide, a former royalist who had become the paladin for Mexican independence, included a special clause in the treaty that left open the possibility for a criollo monarch to be appointed by a Mexican congress if no suitable member of the European royalty would accept the Mexican crown.

Empire and Early Republic, 1821–55

The Abortive Empire, 1821–23

According to the Plan of Iguala, a provisional government was set up while an independent congress deliberated on the future of the nation. Congress was able to agree on two major issues: to cut the size of the Army of the Three Guarantees and to determine the eligibility of officials for the planned regency that eventually would replace the provisional government. As congress deliberated, Iturbide realized that power was slipping from his hands and decided to stage a dramatic demonstration on his behalf. On the evening of May 18, 1822, his troops were ordered to march through Mexico City in support of their commander. The demonstration by the Army of the Three Guarantees was joined by other soldiers and by the populace as

it proceeded toward Iturbide's residence. "Long live Agustín I, Emperor of Mexico!" was the acclamation, at which Iturbide pretended surprise. The following day, congress named Iturbide as the constitutional emperor of Mexico. The arrangements for the coronation were pretentious but still in accord with Iturbide's understanding of the Mexican ethos. Iturbide recalled the importance of the monarchy in maintaining stability and control during the colonial period, and he decided to take full advantage of tradition.

The new empire faced serious economic problems. After the wars, the public coffers were empty, and the bureaucracy had grown. Modest tax adjustments were tried, but the results were meager. In congress, discontented factions sharply criticized the government, and Iturbide's recourse was to dissolve the legislative branch and to have all opposition delegates arrested in August 1822. In Veracruz, the commander of the garrison, Antonio López de Santa Anna Pérez de Lebrón, rose against Iturbide and proclaimed a republic on December 1, 1822. Santa Anna was quickly joined by other revolutionaries—including a disenchanted Vicente Guerrero, Nicolás Bravo, and Guadalupe Victoria. Together, they drew up the Plan of Casa Mata on February 1, 1823. By midmonth, Iturbide, realizing the failure of his efforts, abdicated the throne. Rebel forces encountered no opposition when they arrived in Mexico City. In July the United Provinces of Central America (consisting of Spanish-speaking Central America except for present-day Panama), which had been forcibly incorporated into the empire by Iturbide, declared their independence. (The province of Chiapas, belonging to the Captaincy General of Guatemala, opted to remain a part of Mexico.) The experience of an empire had failed, and the idea of a monarchical system for Mexico would be dismissed for four decades. Iturbide's excesses had worked to the benefit of the republicans.

The Federalist Republic, 1824–36

After the fall of the empire, a provisional government was installed consisting of Bravo, Victoria, and Pedro Celestino Negrete. Delegates were elected to the Constitutional Congress that entered into session on November 27, 1823. The congress had two major factions: the federalists, who feared control from a conservative Mexico City and were supported by liberal criollos and mestizos; and the more conservative centralists, who preferred the rule of tradition and drew their allegiance

from the clergy, conservative criollos, the landowners, and the military.

Although the federalist forces largely prevailed in writing the new constitution, the centralists won three major concessions. The constitution of 1824, which was strongly influenced by the United States constitution and Mexico's legislative relationship with Spain since 1810, established the United Mexican States (Estados Unidos Mexicanos) as a federal republic composed of nineteen states and four territories (see Constitutional History, ch. 4). Power was distributed among executive, legislative, and judicial branches of government. Legislative power was wielded by the Senate and the Chamber of Deputies, while executive power was exercised by a president and a vice president elected by the state legislatures for four-year terms. In spite of the liberal outlook of the constitution, certain traditional privileges were maintained: Roman Catholicism remained the official religion, the *fueros* were retained by the military and clergy, and in national emergencies the president could exercise unlimited powers.

During the administration of Mexico's first president, Guadalupe Victoria, economic conditions worsened as government expenditures soared beyond revenues. Declining economic conditions convinced the criollos that there was more behind the economic decline than bad management by *peninsulares*. One of the government's major burdens was the assumption of all debts contracted during the late colonial period and the empire, a substantial sum. The government's ability to service the debt was severely constrained by the costs of maintaining a 50,000-strong standing army and the insufficiency of revenues generated by tariffs, taxes, and government monopolies. To cover the shortfall, Victoria accepted two large loans on stiff terms from British merchant houses. The British had supported independence movements in Spanish colonies and saw the loans as an opportunity to further displace Spain as the New World's dominant mercantile power.

Mexico's financial crisis was overshadowed in 1827 by a conservative rebellion led by Vice President Bravo. The revolt was quickly suppressed by generals Santa Anna and Guerrero, but political tensions remained high as the presidential elections of 1828 approached. The September 1828 elections pitted General Guerrero as the liberal candidate for the federalists against conservative Manuel Gómez Pedraza, who had served as secretary of war in Victoria's bipartisan cabinet. The voting results

from the state legislatures showed Gómez Pedraza to be the winner in ten of the nineteen states, but the liberals refused to turn over the government, claiming that Gómez Pedraza had used his authority over the army to pressure the states into voting in his favor. A period of confusion ensued as two rival governments and their respective military factions battled over the presidential succession. The liberals finally emerged victorious after Gómez Pedraza abandoned the presidential palace under sustained pressure from rebels commanded by Santa Anna and Lorenzo de Zavala.

President Guerrero took power over a liberal government shrouded in questionable legality and dependent upon the loyalty of the military. Immediately upon assuming office, Guerrero experienced his first major crisis when the Spanish attempted to retake Mexico. A Spanish force of 3,000 soldiers under the command of General Isidro Barradas landed at Tampico in July 1829. Guerrero sent Santa Anna to dislodge the Spanish force in August, but the Mexican general could not launch an effective assault and instead dug in for a siege. Cut off from supplies and weakened by disease, the Spanish surrendered to the Mexicans in October. In the aftermath of the Spanish withdrawal, Santa Anna was widely hailed as the savior of the republic.

With the Spanish threat gone, Guerrero enacted several liberal reforms, including the abolition of slavery in September 1829. His forceful style of governing, made possible by his retention of emergency presidential powers obtained during the Spanish invasion, gave the conservatives renewed cause to rebel. In early 1830, the conservative vice president, Anastasio Bustamante, led a successful military-backed revolt against Guerrero and installed himself as Mexico's third president. While attempting to flee the country in January 1831, Guerrero was captured and executed by government soldiers on Bustamante's orders. Bustamante's conservative government was highly unpopular and repressive. In early 1832, Santa Anna denounced Bustamante in Veracruz, occupied the city, and appropriated its custom revenues. Santa Anna's defiance spurred additional revolts throughout the states, leading to the eventual collapse of the conservative government and the return of the liberals.

The highly popular Santa Anna was elected president under the liberal banner in early 1833. Instead of assuming office, however, he withdrew into semiretirement and delegated the

presidency to his vice president, Valentín Gómez Farías. The liberal Gómez Farías government was strongly reformist, to the detriment of traditional church and military privileges. Among its reforms, the new administration decreed that payment of tithes would no longer be compulsory, and it transferred to the nation the right to make ecclesiastical appointments. In addition, Gómez Farías reduced the size of the army and eliminated its *fueros.*

Gómez Farías's far-reaching reforms drew a characteristically strong response from conservative elites, the army, and the church hierarchy. Under the banner of *religión y fueros,* the inevitable conservative backlash gained strength throughout the winter of 1833. In April 1834, Santa Anna abandoned the liberal cause and deposed Gómez Farías. The renowned general promptly dismissed congress and assumed dictatorial powers, bringing an end to liberal rule under the federal republic.

Centralism and the Caudillo State, 1836–55

In the two decades after the 1834 collapse of the federal republic, Santa Anna dominated Mexico's politics. Between 1833 and 1855, the caudillo occupied the presidency eleven times, completing none of his terms and frequently leaving the government in the hands of weak caretaker administrations. During this period, Mexico went to war on three separate occasions and lost half of its territory through sale or military defeat. Fiscal insufficiency kept Mexico constantly on the verge of bankruptcy and foreign military intervention.

Santa Anna repeatedly rose to the presidency, only to be cast out in the wake of scandals and military defeats. Invariably, he returned—even from exile—to lead the republic once more into military glory or out of insolvency. Santa Anna's bravery, energy, and organizational abilities were often matched by his vanity, cruelty, and opportunism. His feats of heroism in victorious battle, his bold interventions in the political life of the country, and his countless shifts from one side of the political spectrum to the other responded to the insecurities of Mexican nationalists and the vacillations of the republic's fractious political class.

The Constitution of 1836

Upon assuming dictatorial powers, Santa Anna promptly annulled Gómez Farías's reforms and abolished the constitution of 1824. The authoritarian principles that underlay Santa

Anna's rule were subsequently codified in the constitution of 1836, also known as the Siete Leyes (Seven Laws). Under the constitution of 1836, Mexico became a centralist regime in which power was concentrated in the president and his immediate subordinates. The states of the former federal republic were refashioned as military districts administered by regional caudillos appointed by the president, and property qualifications were decreed for congressional officeholders and voters.

The nationalist and authoritarian style of the new centralist regime soon brought it into conflict with the loosely governed lands of Mexico's northern frontier. Santa Anna's efforts to exert central authority over the English-speaking settlements in the northern state of Coahuila-Tejas eventually collided with the growing assertiveness of the frontier population that described itself as Texan.

The Loss of Texas

Texas (known as Tejas) had been part of New Spain since the early colonial period. In 1821 in an effort to colonize and populate Texas, the Spanish commander in Monterrey granted a concession to a United States pioneer, Moses Austin, to settle the area under the Roman Catholic faith. Land could be acquired for a nominal charge of US$0.25 per hectare, and soon colonists from the United States started to pour into the area. By 1835 they outnumbered the Mexicans, four to one. Texas had no autonomous government and was politically attached to the state of Coahuila. Most Mexicans began to fear the incursions by North Americans and the possibility of losing Texas to the United States. Restrictions were placed on the future immigration of colonists from the United States, and slavery was abolished in 1829 in the hope of discouraging United States southerners from moving into the area.

Santa Anna's move to bring Texas under the political domination of Mexico City pushed the Texans to secede from Mexico on November 7, 1835, and to declare their independence in March 1836. In 1835 Santa Anna marched north in the direction of San Antonio with an army of 3,000 men. He reached San Antonio in March 1836 and learned that about 150 armed Texans had taken refuge at an old Franciscan mission, called the Alamo. He laid siege to the mission for several days before the final attack on March 6, 1836. The Mexican force took the mission the next day, killing all but five of the defenders in battle (the five prisoners were later executed). On

March 23, the Texan town of Goliad was surrounded by Mexican forces, who compelled the Texan commander in charge to surrender. On express orders from Santa Anna, 365 prisoners were executed. The events at the Alamo and at Goliad stirred strong anti-Mexican sentiment in the United States. Volunteer fighters poured into Texas to stage a decisive blow against Santa Anna. The Mexican commander in chief and his army were ambushed and roundly defeated near the San Jacinto River by a force commanded by Sam Houston on April 21. Santa Anna, who had fled the scene of the battle, was captured by the Texans two days later.

While under custody of the Texans, Santa Anna signed two treaties with the Texas government: one ended hostilities by pledging the withdrawal of Mexican troops to positions south of the Río Bravo del Norte (Rio Grande), and the other, a secret treaty, recognized Texan independence from Mexico.

The Mexican-American War

After Texas attained its independence, the idea of its incorporation into the United States gained support both in Texas and in the United States Congress. Definitive action on the measure was delayed for several years, however, because of the divisive issue of admitting another slave state into the United States and the likely prospect that annexation would provoke a war with Mexico. In early 1845, the United States Congress passed a resolution in favor of the annexation of Texas, which prompted Mexico to sever diplomatic relations with the United States. The Mexican congress had never ratified Santa Anna's secret treaty with the Texans, and to underscore its opposition to Texas's independence, the Mexican congress passed a law that retroactively annulled any treaties signed by a Mexican negotiator while in captivity.

Further aggravating the dispute was the fact that the Texans had issued a dubious territorial claim that expanded the republic's southern and western boundary from the previously accepted Nueces River to the Río Bravo del Norte. By claiming all of the land up to the headwaters of the Río Bravo del Norte, the Texans more than doubled the size of their republic to include parts of present-day New Mexico, Colorado, Oklahoma, Kansas, and all of present-day western Texas.

Shortly after Texas was admitted to the Union as the twenty-eighth state, President James K. Polk dispatched a special envoy, John Slidell, to Mexico City to settle the Texas boundary

dispute and to arrange the purchase of California. The Mexican president, José Joaquín Herrera, had been willing to recognize an independent Texas but was under intense domestic pressure to reject United States annexation and Texas's expanded territorial claim. As a result, he refused to meet Slidell and began reinforcing Mexican army units along the Río Bravo del Norte.

Hostilities between Mexico and the United States began on April 25, 1846, when several United States soldiers were killed in a cavalry skirmish with Mexican forces in the disputed territory. Shortly after the two sides declared war, Santa Anna was recalled from exile in Cuba to once again lead Mexican troops against a foreign invasion.

The United States Army attacked on three fronts: one column, under General Stephen W. Kearney, occupied California and New Mexico; another column, under General Zachary Taylor, entered northern Mexico; and a third detachment, commanded by General Winfield Scott, landed at Veracruz and marched to Mexico City. California and New Mexico fell with little bloodshed. Northern Mexico was the scene of fierce battles between Taylor and Santa Anna's armies at Buena Vista. Santa Anna initially struck hard at the outnumbered United States forces, but he later abandoned the battle and returned to Mexico City, prematurely claiming victory.

The heaviest fighting was done by Scott's Army of Occupation, which landed at Veracruz on March 9, 1847. Rather than attempt to occupy the city outright, Scott positioned his forces west of it, cutting off Veracruz's supply line from the capital. After several days of heavy naval bombardment that killed hundreds of civilians, Veracruz surrendered on March 27, 1847.

In Mexico City, the situation was chaotic. President once again, Santa Anna denounced both congress and his own subordinates in the executive branch for their lack of resolve in preparing the defense of the capital. They, in turn, denounced him for his failures in battle. On August 20, 1847, the Army of Occupation asked for the surrender of Mexico City, but the battle continued until September 13, 1847, when the last bastion of Mexican resistance fell during the famous Battle of Chapultepec. During the battle, young cadets from the Mexican military academy, the Niños Héroes (or "boy heroes") leapt to their deaths rather than surrender. The United States victory marked the end of the war and the beginning of negotiations for peace.

Treaty of Guadalupe Hidalgo

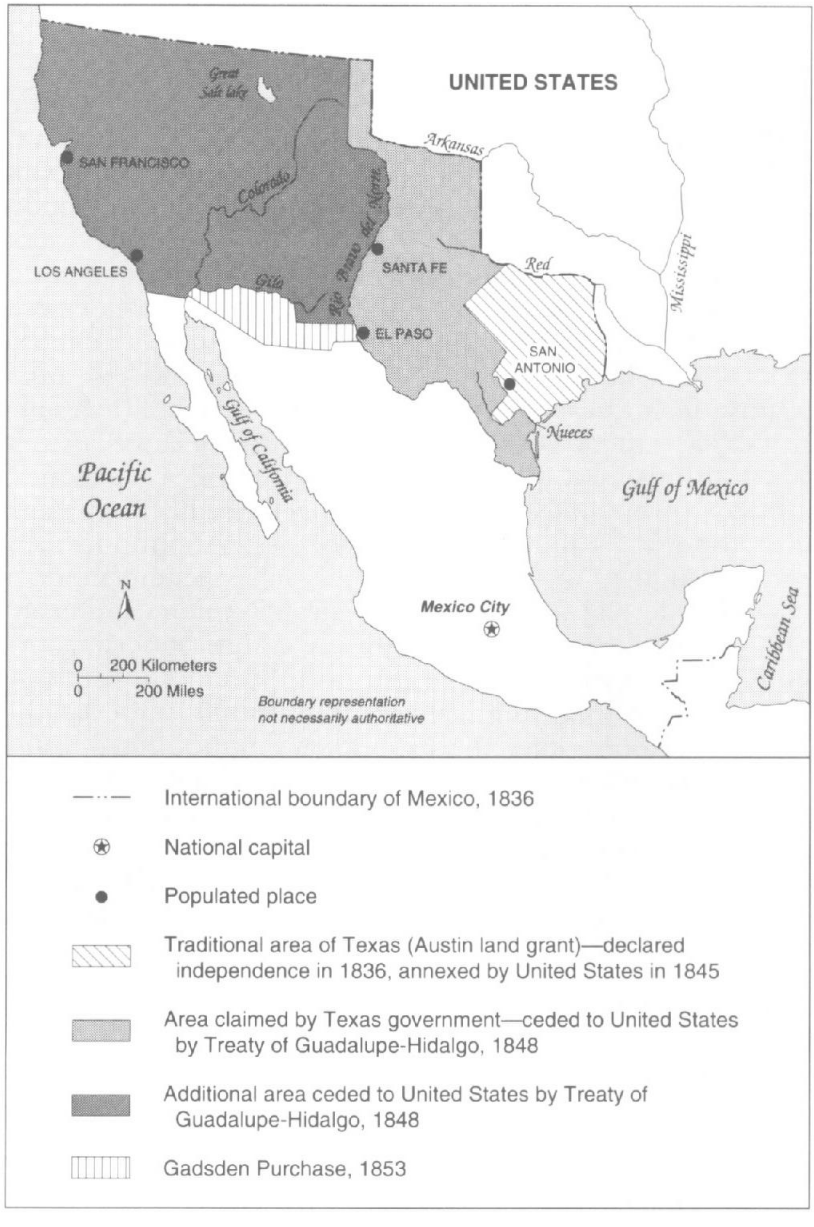
According to the terms of the Treaty of Guadalupe Hidalgo of February 2, 1848, the boundary between Mexico and the United States was established at the Río Bravo del Norte. Mexico was then required to relinquish its territories of New Mexico and Upper California (the present-day states of California, Nevada, Utah, and parts of Arizona, New Mexico, Colorado, and Wyoming) and to accept Texas's incorporation into the United States. As compensation, the United States agreed to pay US$15 million for the territories and to assume more than US$3 million in claims from private citizens of these areas against the Mexican government. Mexico lost more than one-half of its territory as a result of the war with the United States. The territorial losses and the brief but traumatic occupation of Mexico City by United States troops engendered a deep-seated mistrust of the United States that still resonates in Mexican popular culture. Anti-United States nationalist sentiment was a major intellectual current in the Mexican Revolution and continues to manifest itself in some aspects of Mexican society (see Foreign Relations, ch. 4).

Santa Anna's last political venture resulted in the sale of more Mexican territory. In what is known in the United States as the Gadsden Purchase, ratified by the United States Congress in 1854, Santa Anna sold 77,692 square kilometers of land in southern New Mexico and Arizona for US$10 million (see fig. 2). This additional loss of territory alienated a large, reform-minded group of young Mexicans, who then conspired to oust Santa Anna.

Reform and French Intervention, 1855–67

The Revolution of Ayutla and the Reform Laws

The Mexican reform movement was inspired by the liberal political philosophies of European intellectuals, such as Jean-Jacques Rousseau, John Stuart Mill, and Pierre Joseph Proudhon. Their views were adopted by a group of Mexican intellectuals who shared a strong commitment to moralize Mexican politics. The most outstanding member of the group was Benito Juárez, a Zapotec lawyer and politician. Juárez and his cohorts went into exile in Louisiana, where they drew up the Plan of Ayutla in 1854 for the overthrow of Santa Anna. As the plan gained broad-based support, the conspirators began to



Source: Based on information from Cathryn L. Lombardi, John V. Lombardi, and K. Lynn Stoner, *Latin American History: A Teaching Atlas*, Madison, Wisconsin, 1983, 50, 53.

Figure 2. Mexican Territorial Losses to the United States, 1836–53

return to Mexico. In August 1855, in response to growing opposition, Santa Anna resigned for the last time.

A provisional government was installed under Juan Ruiz de Álvarez and the intellectuals of Ayutla; the ensuing period of liberal rule came to be known as the Reform. The Reform was touted as a Mexican version of the French Revolution. Several laws, known collectively as the Reform Laws, abolished the *fueros*, curtailed ecclesiastical property holdings, introduced a civil registry, and prohibited the church from charging exorbitant fees for administering the sacraments.

The Reform Laws polarized Mexican society along pro- and anticlerical lines at a time when delegates were preparing the constitution of 1857, as provided for in the Plan of Ayutla. The new constitution was derived from that of 1824, but it reflected a more liberal vision of society through its incorporation of the Reform Laws. It reaffirmed the abolition of slavery, secularized education, and guaranteed basic civil liberties for all Mexicans. Both the Reform Laws and the constitution, however, divided the political classes and set the stage for a civil war.

Civil War and the French Intervention

The civil war, commonly known as the War of the Reform, that engulfed Mexico between 1858 and 1861 brought to light the underlying conflicts that had been present in Mexican society since independence. The conservative faction launched the Plan of Tacubaya and, with the support of the military and the clergy, dissolved congress and arrested Juárez. Juárez escaped and established a "government in exile" in Querétaro (the liberals later moved their capital to Veracruz). The initial military advantage was held by the conservatives, who were better armed and had plentiful supplies, but by 1860 the situation was reversed. The final battle took place just before Christmas 1860. The victorious liberal army entered Mexico City on January 1, 1861.

In March 1861, Juárez won the presidential election, but the war left the treasury depleted. Trade was stagnant, and foreign creditors were demanding full repayment of Mexican debts. Juárez proceeded to declare a moratorium on all foreign debt repayments. In October 1861, Spain, Britain, and France decided to launch a joint occupation of the Mexican Gulf coast to force repayment. In December troops from the three nations landed at Veracruz and began deliberations. Because the representatives of the three nations could not agree on the

means to enforce the collection of the debt, Britain and Spain recalled their armies. Spurred by dreams of reestablishing an empire in the New World, the French remained and, with the support of Mexican conservatives, embarked on an occupation of Mexico.

In Puebla, the French troops encountered strong resistance led by one of Juárez's trusted men, General Ignacio Zaragoza, who defeated the foreigners on May 5, 1862 (May 5 is celebrated today as one of Mexico's two national holidays). The following May, Puebla was surrounded once again by French troops, who laid siege to the city for two months until it surrendered. The fall of Puebla meant easy access to Mexico City, and Juárez decided to evacuate the capital after receiving approval from congress.

The French encountered no resistance to their occupation of Mexico City. In June 1863, a provisional government was chosen, and in October a delegation of Mexican conservatives invited Ferdinand Maximilian Joseph von Habsburg of Austria to accept the Mexican crown, all according to the plans of French emperor Napoleon III. Maximilian was a well-intentioned monarch who accepted the crown believing that this act responded to the desire of a majority of Mexicans. Before departing for Mexico, Maximilian signed an agreement with Napoleon III, under which Maximilian assumed the debts incurred for the upkeep of the French army in Mexico. On June 12, 1864, the Emperor Maximilian I and his Belgian wife, Marie Charlotte Amélie Léopoldine, now called Empress Carlota, arrived in Mexico City. The republican government under Juárez retreated to the far north.

Maximilian, schooled in the European liberal tradition, was a strong supporter of Mexican nationalism. He soon found resistance from all quarters of the political spectrum, however. The conservatives expected the emperor to act against the Reform Laws, but Maximilian refused to revoke them. Mexican liberals appealed for military assistance from the United States on the basis of the French violation of the 1823 Monroe Doctrine, but the United States was involved in its own civil war. The end of the Civil War in the United States in 1865, however, prompted a more assertive foreign policy toward Mexico and released manpower and arms that were directed to help Juárez in his fight against the French. In Europe, France was increasingly threatened by a belligerent Prussia. By November 1866, Napoleon III began recalling his troops stationed in Mexico.

Conservative forces switched sides and began supporting the Mexican liberals. United republican forces resumed their campaign on February 19, 1867, and on May 15, Maximilian surrendered. He was tried and, on Juárez's orders, was executed on June 19.

The Restoration, 1867–76

The liberal republicans under Juárez's leadership consolidated the victory of the principles of the constitution of 1857. The Restoration, as the period from 1867 to 1876 is called, was marked by peace and tolerance toward the conservatives. Juárez returned to Mexico City on July 15, 1867, called for presidential elections, and presented himself as a candidate. By the end of the year, he was victorious.

The economy and the education system were vitally important to Juarez's new administration. Economic development was based on the improvement of communications, the exploitation of the country's natural resources, and the revamping of the mining sector through favorable tax guidelines. Seeking to reduce banditry and to attract investment capital, Juárez strengthened the *rurales*, the Rural Defense Force (Guardia Rural) responsible for the security of roads and land cargo, and placed it under the Ministry of Interior. The improvement of communications began with the completion in 1873 of the railroad that linked Mexico City with Veracruz, a Mexican venture that had been started in the 1850s. In the area of education, a complete reorganization was directed by a commission headed by the prominent physician and positivist intellectual, Gabino Barreda. He devised a school curriculum that concentrated on mathematics and the physical sciences. For the first time, education became mandatory. Despite new schools, the liberal aspiration for literacy and schools open to all remained an unfulfilled goal, as in most nineteenth-century rural societies.

At the end of his term in 1871, Juárez decided to seek reelection. His opponents were José de la Cruz Porfirio Díaz and Sebastián Lerdo de Tejada, whose candidacies divided the liberal faction and resulted in none of the candidates receiving a majority of the votes. With no clear winner, it was up to congress to choose among the three candidates or to reelect the incumbent president. The congress chose Juárez. Díaz invoked the principle of "no reelection" in the constitution of 1857 and

staged a revolt in November 1871. On July 18, 1872, amidst the Díaz rebellion, Juárez died of a heart attack.

New elections were called in 1872, and Lerdo won the presidency. His administration was characterized by a continuous effort to bring peace to the country, and he intervened militarily in the countryside whenever it was necessary. Lerdo maintained the emphasis on communications through new railroad and telegraph lines. In education, he directed his energies to the construction of new schools and the enrollment of more students. When the time came for electing a new president, Lerdo showed interest in another four-year term. Díaz rose in rebellion a second time in March 1876, again defending the "no reelection" principle. Lerdo went into exile in the United States, and on November 21, 1876, Díaz occupied Mexico City. A political mastermind, surrounded by capable advisers, he held power directly or indirectly for the next thirty-four years. The period known as the "Porfiriato" (the period of Porfirio Díaz's rule) had begun.

The Porfiriato, 1876–1910

Propitious economic conditions did not greet Porfirio Díaz upon his rise to power in 1876. Mexico remained saddled with a huge foreign debt and an empty treasury. An army of bureaucrats was owed back wages, the country had a poor international credit rating, and persistent current account deficits caused serious balance of payments problems. Investment, whether foreign or domestic, was scarce, and the mining industry had yet to recover from the revolutionary wars. The relatively few mines in operation in 1876 were exploited haphazardly, and extraction and smelting techniques were archaic. Only a few miles of rail had been laid, transportation and communications were rudimentary, and dock facilities were dilapidated and unsafe. Endemic rural violence further hindered commerce.

During his first four years in office, Díaz began to tackle economic backwardness. He first decreed stiff measures against contraband moving across the United States border. Smugglers and bandits crossed the border from both sides, but Díaz would not permit United States troops to enter Mexico in search of them. Instead, he enlarged the Mexican border patrol. In 1877 Díaz agreed to honor US$4 million in claims by United States citizens against Mexico.

José de la Cruz Porfirio Díaz, president, 1876–80, 1884–1911
Courtesy New York Public Library

In 1880 at the end of his term and despite his followers' wishes, Díaz left office. The next president, Manuel González, continued Diaz's modernization program. Telegraph lines began to operate, and railroad construction was kept apace. In an attempt to meet his foreign debt obligations, González withheld the salaries of government officials, a move that led to a harsh campaign against the president.

During González's tenure, Díaz gathered a large following that restored him to office in 1884. Mexican positivism, embodied in the slogan "order and progress," was the backbone of the modernization scheme supported by the *científicos*, intellectual followers of Barreda. Led by José Ives Limantour, who served as adviser to Díaz, the *científicos* developed a plan for economic recovery that was to be carried out through the next twenty-seven years of the Porfiriato.

Porfirian Modernization

Diaz's strategy of export-oriented growth led to Mexico's rapid integration into the world economy. The modernization program was based on exploitation of the country's natural resources, using cheap domestic labor and foreign capital and technology for export production.

Foreign capital fueled dynamic growth, and an expanding rail network promoted export agriculture, manufacturing, and mining. Agriculture and livestock export products expanded to include cattle and cattle hides, coffee, cotton, henequen, sugar, vanilla, and chicle. Railroads allowed the exploitation of new land in the north for cotton cultivation and enabled Mexico to double its cotton production between 1887 and 1910.

The Díaz regime encouraged manufacturing through export incentives, high protective tariffs on foreign manufactured products, low transportation costs, and abolition of the transactions tax on business. The number of industrial enterprises—most of them heavily backed by United States, French, German, and British investors—grew rapidly, and the volume of manufactured goods doubled between 1877 and 1910.

The railroads also contributed to the revival of mining because they provided the only feasible means of transporting huge amounts of ore. Legal reforms in 1884 lowered taxes on mining and allowed foreign ownership of subsoil resources, spurring a large increase in United States and European investment in Mexican mines.

Society under the Porfiriato

Ironically, Mexico's economic success during the Porfiriato had negative social consequences. Although the economy grew at an average annual rate of 2.6 percent, real income per capita had recovered only to pre-1821 levels by 1911. After 1900 unemployment increased as mechanization displaced artisans faster than unskilled workers were absorbed into new productive enterprises. Additionally, real and financial assets were increasingly concentrated in the hands of a few local and foreign investors.

The rural peasantry bore most of the cost of modernization. Government seizure of private and communal land increased the landless rural population and led to further concentration of land ownership. Taking advantage of an 1883 land law intended to encourage foreign investment, by 1888 land companies had obtained possession of more than 27.5 million hectares of rural land. By 1894 these companies controlled one-fifth of Mexico's total territory. By 1910 most villages had lost their *ejidos* (communal land holdings—see Glossary), a few hundred wealthy families held some 54.3 million hectares of the country's most productive land, and more than half of all rural Mexicans worked on these families' huge haciendas.

The modernization program was also brought about at the expense of personal and political freedom. Díaz made certain that "order" was maintained at all costs for the sake of "progress." Force was used whenever necessary to neutralize opponents of the regime. Freedom of the press was nonexistent. The army and the *rurales* became the forces of repression for the maintenance of the Porfirian peace during the Porfiriato. Mock elections were held at all levels of government, while Díaz appointed his loyal friends as political bosses. Despite the modernization, Mexico remained a predominantly poor and rural country, and class stratification became entrenched.

The wealth that flowed into urban areas during the Porfiriato fostered the growth of an urban middle class of white-collar workers, artisans, and entrepreneurs. The middle class had little use for anything Mexican, but instead identified strongly with the European manners and tastes adopted by the urban upper class. The emulation of Europe was especially evident in the arts and in architecture, to the detriment of indigenous forms of cultural expression. The identification of the urban middle class with the European values promoted by Díaz further aggravated the schism between urban and rural Mexico.

The Revolution, 1910–20

The Early Phase

In the political arena, the Porfiriato was marked by the systematic violation of the principles of the constitution of 1857. Díaz courted foreign interests, allowed the clergy again to become openly influential in temporal matters, and gave the army a free hand to violate guaranteed civil liberties while opponents of the regime were either coopted or sent to jail.

Meanwhile, liberal writers and journalists began to challenge the regime. These attacks became more coordinated with the organization of liberal clubs and a liberal convention at San Luis Potosí in 1900 and 1901 that defended the principles of the constitution of 1857. For the next two years, liberal congresses were held, but the persecution of representatives led many liberals to seek asylum in the United States. The exiles (especially the Flores Magón brothers, Juan Saraia, Antonio I. Villareal, and Librado Rivera) issued a liberal proclamation on July 1, 1906, from St. Louis, Missouri, that called for the overthrow of Díaz. They then started a publication, *Redención,* to set

forth their ideas. The program presented in the proclamation of St. Louis introduced new concepts in education, labor relations, land distribution, and agricultural credit. These ideas reached Mexico through issues of *Redención* smuggled across the border.

In 1908 an unexpected development brought hope of political change to the anti-Díaz political opposition. In an interview with a United States reporter, Díaz stated that he would not seek reelection in 1910. Liberals and dissident intellectuals immediately seized the opportunity and nominated Francisco I. Madero, the scion of a wealthy family in Coahuila, to run in the upcoming election. In June 1910, relying on harsh measures, including the imprisonment of thousands of opposition activists, Díaz was reelected. Madero, himself imprisoned, was released from jail and went into exile in the United States.

Díaz began preparing a joint celebration—the one-hundredth anniversary of Mexican independence and his eightieth birthday—in September 1910. Mexico City went through a full refurbishing. Buildings were dedicated, monuments were unveiled, and numerous balls and celebrations were attended by the entire diplomatic corps. The streets of the capital were cleared of refuse and undesirables in order to present foreigners with a positive picture of the society created by the Porfiriato.

In October 1910, Madero drafted the Plan of San Luis Potosí, which called for the people to rise on November 20 to demand the restoration of the democratic principles of the constitution of 1857 and the replacement of Díaz with a provisional government. Although it was mainly a political document with scant reference to redressing Mexico's many social ills, the Plan of San Luis Potosí was enthusiastically received among the widespread, but uncoordinated movements that were already on the verge of rebellion against their respective state governments. Copies of the plan, which Madero had drafted in St. Louis, soon reached Mexico and were widely distributed. On the appointed day, Madero and a small band of rebels crossed into Mexico, but finding no rebel armies with which to rendezvous, they soon turned back.

By January 1911, however, a large-scale insurrection had broken out in the northern state of Chihuahua, led by Pascual Orozco, a local merchant, and Francisco "Pancho" Villa. Madero, who had declared himself provisional president in the Plan of San Luis Potosí, returned to Mexico to lead the nascent

Francisco "Pancho" Villa, revolutionary leader, 1911–17, with a group of fighters
Courtesy Library of Congress

Emiliano Zapata, revolutionary leader, 1911–17
Courtesy New York Public Library

revolution. The successes of the rebel bands in Chihuahua sparked similar uprisings throughout the country. As early as 1909 in Morelos, the peasant leader, Emiliano Zapata, had recruited thousands of hacienda laborers and landless peasants to attack the haciendas and reclaim lost lands.

In April Díaz sent finance minister Limantour to negotiate an armistice with the northern rebels, who were besieging Ciudad Juárez. When Limantour refused to negotiate Díaz's resignation, Villa and Orozco renewed their attack on Ciudad Juárez and captured the town. By May several state capitals had been lost to the rebels, and mobs filled the streets of Mexico City shouting for Díaz to resign. On May 25, 1911, the eighty-year-old dictator submitted his resignation to congress and turned power over to a provisional government. The following day Díaz quietly sailed for exile in France.

Madero's Government

Madero assumed the presidency in November 1911. The new administration faced insurmountable problems. The fall of Díaz raised popular expectations of far-reaching social reforms, especially land reform. Zapata had come to Mexico City to claim hacienda land for the peasants of Morelos, which to him was the only acceptable result of the overthrow of the Díaz regime. Instead, Madero ordered Zapata to disband his troops, and reluctantly Zapata acceded to Madero's request. The interim government did not think Zapata was demobilizing fast enough, however, and sent federal troops to disarm the revolutionaries by force. Even though Madero was not responsible for this action, Zapata withdrew his support for Madero. Madero soon realized that to the liberals, the Revolution meant political change, but to the revolutionary fighters it meant radical social and economic transformations that Madero would not be able to fulfill. Madero dealt with the labor and land tenure problems politically through the National Agrarian Commission and the Department of Labor. However, the only tangible change was that labor groups felt free to organize. They were also allowed to publish the newspaper *Luz*. Labor unrest continued, despite the government's attempts to control strikes. Madero's democratic administration was failing its staunchest supporters, and rebellions began to surface.

In November the Zapatista faction revolted under the principles of the Plan of Ayala, which asked for restoration of pri-

vately owned lands to rural villages. The armed revolt spread through the states of Morelos, Guerrero, Tlaxcala, Puebla, México, and even into Mexico City. By 1912 the Zapatista forces had caused severe damage to railroad and telegraph lines and had won several battles against federal troops.

Revolutionaries from other areas began to challenge the new government, and an offensive was launched in March 1912 by Orozco, who accused Madero of abandoning the principles of the Plan of San Luis Potosí. Orozco was defeated, however, by Victoriano Huerta, the unscrupulous commander of the federal forces. Meanwhile, Félix Díaz (Porfirio's nephew) was assembling an army in Veracruz to march against Madero, but Madero was able to order his arrest andbring him to Mexico City.

Félix Díaz and other counterrevolutionaries plotted a military coup from inside prison and proceeded to take the National Palace on February 8, 1913. With the aid of loyal troops under Huerta, Madero initially resisted the Díaz forces, but street fighting and chaos overtook the city. On February 18, Huerta, seeing an opportunity to seize power, joined the coup against Madero and had both the president and Vice President José María Pino Suárez arrested.

Huerta's decision to change sides was made with the knowledge and assistance of United States ambassador Henry Lane Wilson in what became known as the Pact of the Embassy. Huerta extracted resignations from both Madero and Pino Suárez and had himself appointed secretary of interior, which made him the heir to the presidency, according to the provisions of the constitution of 1857. That same evening, Huerta was sworn in as president, and on February 21, Madero and Pino Suárez were assassinated while being transferred to the penitentiary in Mexico City.

The Huerta Dictatorship

Opposition to Huerta began to emerge once he assumed power. Venustiano Carranza in Coahuila, Villa in Chihuahua, and Álvaro Obregón in Sonora formed a front against the dictator under the Plan of Guadalupe, issued in March 1913. Zapata preferred to maintain his troops' independence from the northern coalition, but remained in revolt against Huerta. The latter responded by increasing the size of the military by forced conscription. Federal forces terrorized the countryside and looted villages, and political assassinations became a trade-

mark of Huerta's rule. The country faced other problems. The federal treasury was empty, and each faction began issuing its own currency. Huerta's government had not been recognized by the United States, which considered him a usurper of the previously elected government. Seeking a return to constitutional rule, the administration of President Woodrow Wilson channeled aid indirectly to the northern coalition.

By early 1914, Huerta was clearly losing on all fronts, but there was one specific event that precipitated his resignation. When United States sailors were arrested at Veracruz for trespassing on dock facilities, the commander of the United States naval forces off Tampico demanded ceremonial salutes of the United States flag by Mexican personnel. When the United States demands were not met, United States troops occupied Veracruz. Indignation brought about a series of reprisals against United States citizens and their flag throughout Mexico. In the face of growing disorder, Huerta resigned on July 8, 1914.

The Constitution of 1917

After the fall of Huerta, Carranza, chief of the northern coalition, invited all revolutionary leaders to a military conference at Aguascalientes to determine the future course of Mexico. A split developed almost immediately: on one side were Carranza, Obregón, and supporters of the plans of San Luis Potosí and Guadalupe; on the other side were Zapata, Villa, and the supporters of the Plan of Ayala. The convention chose Eulalio Gutiérrez, who had the support of the Villistas and the Zapatistas, as provisional president, while Carranza, with Obregón's support, established a dissident government in Veracruz. The country went through another period of civil war and anarchy in which four governments claimed to represent the will of the people: Carranza in Veracruz, Obregón in Mexico City (after Gutiérrez had left the city and established his headquarters in Nuevo León), Roque González Garza (supported by the Zapatistas), and Villa in Guanajuato. Later that year, Carranza emerged as the victorious commander of the revolutionary forces. His government was soon recognized by the United States, and his troops were supplied by munitions abandoned when United States forces left Veracruz.

United States support for Carranza prompted an aggressive reaction from Villa. After 1916 Villa frequently raided United States border towns and then retreated to Mexico. United

States General John J. "Blackjack" Pershing's troops crossed the border in pursuit of Villa several times during 1917. Despite Villa's "victories" over Pershing, the true victor was Carranza. To consolidate his power further and to institutionalize the Revolution, he called for a meeting at Querétaro, where the constitutionalists drew up a new supreme law for Mexico. The Congress of Querétaro met for the first time on December 1, 1916. In commemoration of that event, the inauguration of all Mexican constitutional presidents has taken place on December 1.

Carranza presented his draft of a constitution to the congress. The draft was similar in many ways to the constitution of 1857, but gave extensive powers to the executive. The final version of the constitution of 1917, however, gave additional rights to the Mexican people. It was the fruit of the Revolution—an expression of popular will that guaranteed civil liberties, no presidential succession, and protection from foreign and domestic exploitation to all Mexicans (see Constitutional History, ch. 4).

Carranza's Presidency

After formally accepting the constitution of 1917, Carranza won the presidential election and was sworn into office on May 1, 1917. Conditions in Mexico were again close to chaos: the economy had deteriorated during the years of civil war, communications had been seriously disrupted, and shortages had led to rampant inflation. Land and labor remained the basic issues for the Mexican people, but Carranza chose to overlook the constitutional provisions dealing with these issues and returned lands expropriated during the Revolution. Despite the president's opposition, public enthusiasm for the labor provisions of Article 123 led to the creation in 1918 of the Regional Confederation of Mexican Workers (Confederación Regional de Obreros Mexicanos—CROM), which would unify and lead the labor movement in the years ahead. Meanwhile, Mexico took advantage of United States involvement overseas in World War I, its attention and troops distant from any further intervention in Mexico.

In 1918 parts of the country still saw military action; the fighting was particularly fierce in Morelos. The Zapatistas in that area, who had very specific grievances, wanted more than a constitution. In March 1919, Zapata sent an open letter to Carranza, hoping by this means to bring the Zapatistas'

demands before the whole population. Zapata expected that Carranza, once confronted by public pressure, would be willing to address the Zapatistas' grievances. Carranza's response was very different, however. Jesús M. Guajardo, a colonel in the federal army, was contracted to deceive Zapata by offering allegiance to the revolutionaries. Zapata's cautious acceptance of Guajardo's protests of loyalty led to a meeting on April 10, 1919, in Zapata's territory. As Zapata entered the meeting area, Guajardo's men appeared ready to fire a salute in his honor but instead they fired point-blank, killing the peasant leader and thereby eliminating the last significant military opposition.

In 1920 just as Carranza was about to nominate a loyal subordinate, Ignacio Bonilla, to serve as a puppet president, Adolfo de la Huerta and Plutarco Elías Calles rose in opposition. Under the Plan of Agua Prieta, they raised a constitutionalist army of northerners and marched to Mexico City. Carranza fled the capital and was assassinated in May while on the road to exile. De la Huerta served briefly as provisional president, but was replaced in November 1920 by Obregón, who was elected to a four-year term. Shortly thereafter, Villa accepted a peace offer from the federal government.

The Constructive Phase, 1920–40

The Obregón Presidency, 1920–24

The four years of Obregón's presidency (1920–24) were dedicated to beginning to realize the objectives of the constitution of 1917. The military phase of the Revolution was over, and the new administration began to build the bases for the next stage of the revolutionary process of reconstruction.

Obregón's choice for secretary of education was José Vasconcelos, a distinguished lawyer and professor who had rejected the elitist positivism of the *científicos*. Vasconcelos adapted the curricula of rural schools to Mexican reality by teaching students basic skills in reading, writing, mathematics, history, and geography. Seeking to integrate indigenous peoples into Mexican society through education, Vasconcelos dispatched hundreds of teachers to remote villages. Between 1920 and 1924, more than 1,000 rural schools and more than 2,000 public libraries were established. Vasconcelos also believed in instructing through images, and for that purpose he commissioned works by Mexican muralists—foremost among them Diego

Rivera—to decorate public buildings while depicting important events in Mexican history and the ideals of the Revolution.

Obregón's agrarian policies proved more traditional. He believed that the Mexican economy could not afford to forego productivity for the sake of radical agrarian reform. Consequently, redistribution of land proceeded slowly. During his administration, Obregón redistributed 1.2 million hectares to landless peasants, a fraction of the eligible land. Obregón was careful in handling Article 27 of the constitution, which restricted land ownership by foreigners, because of fear of intervention by the United States. Despite Obregón's moderation, United States oil companies launched a campaign against the Mexican government, fearing possible implementation of Article 27. A joint Mexican-United States commission agreed to meet on Bucarelli Street in Mexico City in 1923. Under the terms of the commission agreements, known as the Bucarelli Agreements, Mexico upheld the principle of "positive acts." Mexico agreed that if a foreign enterprise improved the land (in the case of oil, by installing oil drilling equipment), the company's holdings would not be nationalized. The United States fulfilled its part of the agreement by recognizing the Mexican government.

When the time came for the next presidential nomination, Obregón's choice was his secretary of interior, Plutarco Elías Calles. The nomination met with strong opposition from landowners, who feared Calles's radical reputation. Obregón succeeded in imposing his candidate because Calles had the support of labor unions and Mexican nationalists. Overall, Obregón's government disappointed the more radical revolutionary factions, as well as conservative interests, such as the military, wealthy landowners, and the Roman Catholic Church, but it brought Mexico a welcome degree of political stability.

The Calles Presidency, 1924–28

Calles was perhaps Mexico's strongest political figure since the Díaz dictatorship. Calles began seriously to implement agrarian reform by distributing some 3.2 million hectares of land during his term, in addition to developing agricultural credit and irrigation. Labor was still organized into one national union, CROM, run by Calles's crony Luis Morones, even though independent unions were emerging. Public education facilities continued to expand, and Calles's administration built another 2,000 schools.

A major crisis developed, however, between the government and the Roman Catholic Church. In 1926 the archbishop of Mexico City, José Mora y del Río, made public his view that Roman Catholics could not follow the religious provisions of the constitution of 1917. In defiance of the declaration by the archbishop, Calles decided to implement fully several of the constitutional provisions: religious processions were prohibited; the church's educational establishments, convents, and monasteries were closed; foreign priests and nuns were deported; and priests were required to register with the government before receiving permission to perform their religious duties. The church reacted by going on strike on July 31, 1926, and during the three years that followed, no sacraments were administered. Bloody revolts broke out in the states of Michoacán, Puebla, Oaxaca, Zacatecas, Jalisco, and Nayarit. To the call of "Viva Cristo Rey" (Long live Christ the King), bands of militant Roman Catholics, known as Cristeros, attacked government officials and facilities and burned public schools. The government responded with overwhelming force, using the army and its own partisan bands of Red Shirts to fight the Cristeros. The fighting was vicious, with both sides engaging in indiscriminate acts of terrorism against civilians and widespread destruction of property. By 1929 the revolt had been largely contained, and the Cristeros were compelled to lay down their arms and accept most of the government's terms.

The Maximato

In defiance of the "no-reelection" principle that had been one of the key political legacies of the Revolution, Calles supported Obregón's bid to recapture the presidency in 1928. Beginning with the 1928 election, the presidential term was increased from four to six years (*sexenio*). Thereafter, the *sexenio* formed the basis for regular and orderly political succession. Obregón won the election but was assassinated by a religious fanatic before taking office on July 17, 1928. Seeking to ensure political stability, Calles opted not to violate the "no-reelection" principle and instead chose one of his supporters, Emilio Portes Gil, as interim president (December 1928 to February 1930) until new elections could be held.

During the next six years (a period known as the Maximato), Calles exercised behind-the-scenes control over Mexican politics through the actions of three presidents who were essentially his puppets. By 1929 Calles's political machine had found

institutional expression as the National Revolutionary Party (Partido Nacional Revolucionario—PNR). Unlike previous parties, which existed only in name during electoral campaigns and dissolved immediately thereafter, the PNR was designed to be a permanent organization run exclusively by Calles as *jefe máximo* (supreme leader), through which he acted as de facto president. Henceforth, the "official" party of the revolutionary regime served as the dominant political organization in the country and the primary dispenser of official patronage.

In the special election of 1929, called to select a figurehead to serve out the remaining four years of Obregón's term, Calles chose Pascual Ortiz Rubio as the PNR candidate. Ortiz Rubio was opposed by José Vasconcelos, who decried Calles's thinly veiled authoritarian rule and the growing corruption of the older revolutionary generation. Relying on ballot stuffing and other forms of electoral fraud, Ortiz Rubio defeated Vasconcelos with 99.9 percent of the vote. Ortiz Rubio's presidency would be short-lived, however. Having demonstrated excessive independence from Calles once in office, the president was summarily removed by the "supreme leader" in September 1932 and replaced with a more compliant figure, Abelardo Rodríguez.

The last two years of the Maximato under the presidency of Rodríguez witnessed a steady rightward drift of the revolutionary regime. Deciding that the country could not forego agricultural productivity for the sake of equity, Calles ordered a near halt to further land redistribution. Organized labor, which was seen as overly sympathetic to bolshevism and not loyal enough to the PNR, was disavowed and suppressed. By the early 1930s, the government was persecuting the Mexican Communist Party and allowing fascist organizations to terrorize Mexico's small Jewish population.

As the election for the 1934–40 presidential *sexenio* approached, Calles came under increasing pressure from the left wing of the PNR to pursue with more vigor the social welfare provisions of the constitution of 1917. Seeking to avoid a party split, Calles mollified his party's left wing by nominating Lázaro Cárdenas, a popular state governor, to succeed Rodríguez. Cárdenas had participated in the revolutionary conflict as a constitutionalist military officer, achieving the rank of brigadier general. While governor of his home state of Michoacán, Cárdenas gained recognition for his support of public education and his good relationship with organized

labor and peasant organizations. Cárdenas's modest efforts at land reform at the state level earned him a reputation as a populist. Calles, although wary of Cárdenas, nevertheless expected the new president to fall into line much as his three predecessors had done.

Cardenismo and the Revolution Rekindled, 1934–40

Cárdenas immediately showed his independence by becoming the first Mexican president to campaign for office. Once in office, he began his *sexenio* by adopting several popular measures. He reduced his presidential salary and decided not to move into the national palace, he ordered a resumption of land reform on an unprecedented scale, and he expressed tacit support for a wave of urban strikes. Calles followed these developments with unease, and soon sought to undermine the new president's authority. A definitive break occurred between Calles and Cárdenas when the new president fired many of Calles's followers in the federal bureaucracy and closed down a network of gambling houses owned by Calles's associates. It became apparent that Calles had underestimated Cárdenas's commitment to reform and his political skills. Calles's open opposition to Cárdenas finally earned the former leader forced exile to the United States in 1936. Conservatives from San Luis Potosí staged a rebellion in protest, but the military remained loyal to the president and brought the revolt under control.

Land reform was one of Cárdenas's major accomplishments. In the course of six years, he distributed almost 18 million hectares—more than twice as much land as all of his predecessors combined—to two-thirds of the Mexican peasantry through the system of communal farms or *ejidos* (see Land Tenure, ch. 3). Even though agriculture suffered an initial setback because of the loss of economies of scale and a lack of resources and credit, the redistribution proved tremendously popular with the majority of the Mexican people and earned Cárdenas a special place in Mexican history.

Church relations also improved during Cárdenas's presidency. Key was the intervention of Luis María Martínez, archbishop of Mexico. Martínez encouraged Roman Catholics to be more sensitive to the social and economic welfare of society, even though national education continued to be secular and had become socialist in its emphasis. The labor movement also received Cárdenas's attention. The president supported Vicente Lombardo Toledano, a Marxist who reorganized labor

Lázaro Cárdenas, president, 1934–40
Courtesy Library of Congress

into the Confederation of Mexican Workers (Confederación de Trabajadores Mexicanos—CTM). The old CROM had become corrupt through the years, and the CTM became the new, quasi-official representative of Mexican workers, developing programs and pushing for improvement of working conditions and minimum wage schedules (see Organized Labor, ch. 4).

Cárdenas also reorganized the official Mexican party, the PNR, to broaden its political base. The party was renamed the Party of the Mexican Revolution (Partido de la Revolución Mexicana—PRM), and membership expanded to include representatives of four corporately defined "sectors" of Mexican society: labor, agrarian, military, and popular. The agrarian sector consisted of peasants and rural laborers, and the popular sector included the small but growing middle class, civil servants, and small-scale merchants.

Cárdenas's boldest act was his expropriation in March 1938 of all foreign oil operations on Mexican territory. In response to a strike by oil workers seeking higher wages, the government intervened on their behalf, demanding that the mostly United States-owned companies share more of their technical and managerial expertise with Mexican nationals. When the companies failed to comply with the worker-training demand, Cárdenas issued his sweeping expropriation of all foreign oil

operations. Compensation was based on the underreported "book" value of the properties. The expropriation, which Cárdenas considered a natural outcome of the constitutional claim to national ownership of all subsoil resources, temporarily disrupted commerce between Mexico and the United States. Nationalization, however, won Cárdenas widespread praise both within Mexico and throughout Latin America, where nationalist sentiment against foreign commercial interests ran high.

In November 1941, on the eve of United States entry into World War II, Mexico and the United States finally settled their differences over the expropriated properties. Although it was a significant political victory for Cárdenas, the oil expropriation cost Mexico dearly in terms of capital flight and foreign investment. For nearly twenty years, the new national petroleum company, Mexican Petroleum (Petróleos Mexicanos—Pemex) suffered from inadequate technical expertise and outdated equipment.

By the end of his term in 1940, Cárdenas had dramatically transformed the Mexican political system. Continuing the legacy of executive predominance begun by Calles, Cárdenas further augmented presidential power by subordinating the entire apparatus of the official party under the chief executive. In addition, Cárdenas expanded the role of the state in Mexican society, establishing patron-client relationships among various state agencies and the corporately defined interest groups. The "institutionalization" of the Revolution resulted in a situation in which the state became the sole mediator among competing interest groups and the final arbiter of political disputes.

From Revolution to Governance, 1940–82

Ávila Camacho's Wartime Presidency, 1940–46

Cárdenas's nomination of Manuel Ávila Camacho, a relatively unknown career military officer, as the PRM candidate for the presidency in 1940 surprised many Mexicans. Numerous party members were aware of Ávila Camacho's conservative tendencies. Moreover, in contrast to the anticlerical position held by most Mexican politicians since the Revolution, during the presidential campaign Ávila Camacho had stated that he was a believer and a Roman Catholic. The new president took office on December 1, 1940, and, as expected, did not push for enforcement of the most populist articles of the constitution.

Land reform was slowed down, and its emphasis shifted from reconstituting *ejidos* to promoting private ownership of land.

The conservative bent of the new administration was especially evident in the administration's attitude toward labor. Fidel Velásquez, a more conservative labor leader, replaced Lombardo Toledano as head of the CTM. The government withdrew much of its support for organized labor, and controls were placed on the rights of strikers. By 1942 the CTM had lost textile and building industry workers, who felt alienated from the new leadership. Although the Ávila Camacho administration created the Mexican Institute of Social Security (Instituto Mexicano del Seguro Social—IMSS), the program initially benefited only a small portion of the labor force.

Changes were also apparent in education as the Ávila Camacho administration introduced new education programs. Greater emphasis was placed on private schools, and the government started a campaign that encouraged each literate citizen to teach another person to read and write. Launched with much fanfare, the impact of the campaign was short-lived, however.

Ávila Camacho's administration witnessed the expansion of World War II in Europe. Exercising its independence from the United States, Mexico initially attempted to remain neutral after the United States entered the war in December 1941. However, when two Mexican tankers were sunk by German submarines in May 1942, Mexico declared war on Germany. The declaration received full support from congress and most of the Mexican population. On September 16, 1942, several former presidents held an unprecedented meeting at the National Palace for a public display of solidarity in the face of war. Those present included former presidents de la Huerta, Calles, Portes Gil, Ortiz Rubio, Rodríguez, and Cárdenas. A comprehensive national security policy was developed to counter Axis espionage against Mexico and to defend Mexican oil fields and military industries. Mexico participated in the war effort mainly as a supplier of labor and raw materials for the United States, although a Mexican fighter squadron fought and sustained casualties in the Pacific theater.

In 1942 the Mexican and United States governments negotiated a program to enlist migrant Mexican workers (*braceros*) to assist in harvesting United States crops. The program was initially intended to supplement the depleted rural labor force in the United States, who had been displaced by the war effort.

The *bracero* program, which continued into the 1960s, subsequently lured hundreds of thousands of Mexican laborers with and without legal documentation to seek employment across the border.

By early 1946, the PRM's political power base included new groups in Mexican society. The party now had representatives of the business and industrial communities within its popular sector. As a sign that the official party viewed the transitional phase of the Revolution as ended, officials decided to rename the party the Institutional Revolutionary Party (Partido Revolucionario Institucional—PRI). The same January 1946 convention nominated Miguel Alemán Valdés to be the PRI candidate for the presidential term of 1946–52.

The Alemán *Sexenio*, 1946–52

The Alemán presidency marked a turning point in contemporary Mexican politics. With the election of Alemán (a lawyer by profession), the torch was passed to a new generation of civilian politicians who had not participated in the military campaigns of the Revolution. The age of the generals in Mexican politics was over. Henceforth, the military assumed a low profile, surrendering many of its institutional prerogatives to a civilian-dominated PRI.

Alemán's presidency was also noteworthy because it represented the consolidation in power of a PRI faction that was more probusiness and less nationalistic than the Cárdenas wing of the party. One of Alemán's first acts as president was to reaffirm amicable postwar relations between Mexico and the United States. In a symbolic gesture of rapprochement, United States President Harry S Truman and President Alemán visited each other's countries. On September 2, 1947, Mexico was among the signatories of the Inter-American Treaty of Reciprocal Assistance (Rio Treaty), which outlined a system of mutual defense on the part of Western Hemisphere nations against outside aggression.

The Alemán administration attempted to promote industrialization and economic growth by embarking on an extensive program of infrastructure improvements. Major flood control and irrigation projects were built in northern Mexico, greatly expanding the opportunities for large-scale agribusiness. The exploitation of cheap hydroelectric power and the expansion of the national road network were undertaken to help spur heavy industry and tourism. By the end of Alemán's *sexenio* in

1952, Mexico had four times as many kilometers of paved roads (roughly 16,000 kilometers) as in 1946. Another legacy of the Alemán era was the completion in 1952 of a new campus—in what was then suburban Mexico City—for the flagship of the Mexican university system, the National Autonomous University of Mexico (Universidad Nacional Autónoma de México—UNAM).

Alemán was viewed as much less sympathetic than his immediate predecessors to the demands of labor and the rural populations of central and southern Mexico. To promote growth without generating high inflation, the government acted through the PRI-affiliated unions to suppress the wage demands of labor. The government also began a new strategy of "stabilizing development." The new program was based on promoting industrialization through import substitution (see Glossary), heavy subsidies of industry, and maintaining low inflation by suppressing real wages.

Further straying from the ideals of the Revolution, Alemán's administration became noted for its tolerance of official corruption. The government's growing involvement in the economy provided ample opportunities for kickbacks and other forms of illicit enrichment, and several senior government officials became wealthy while in office. The scale of official venality was enough to spark a public outcry and protests from within the PRI. To restore popular faith in the ruling party, Alemán nominated Adolfo Ruiz Cortines, a former governor of Veracruz, minister of interior, and a man noted for his impeccable character, to succeed him in 1952.

The Ruiz Cortines *Sexenio*, 1952–58

Despite his friendship with Alemán, Ruiz Cortines set out to eliminate the corruption and graft that had tainted the previous administration. In his inaugural speech on December 1, 1952, Ruiz Cortines promised to require complete honesty from officials in his government and asked that they make public their financial assets. He later fired several officials on charges of corruption.

The economy continued to grow with government support. The government, for example, devaluated the peso (Mex$—for value, see Glossary), a move that helped to encourage investors from abroad. Ruiz Cortines did not promote a new construction boom but rather channeled money into public health programs. The IMSS, under the directorship of Antonio Ortiz

Mena, was expanded to provide medical services at hospitals and clinics throughout the country, and a more comprehensive system of benefits for eligible workers and their families was created.

By the end of Ruiz Cortines's *sexenio* in 1958, three consecutive administrations had pursued probusiness policies that departed significantly from the agrarian populism practiced by Cárdenas. Import-substitution industrialization had generated rapid growth in urban areas, while land reform was scaled back and redefined to emphasize individual private farming. Meanwhile, Mexico's population more than doubled in less than thirty years, from 16 million in the mid-1930s to 34 million in 1960. The resulting population pressure, as well as the concentration of services and new jobs in urban areas, encouraged massive urban migration—most notably in and around Mexico City. The proliferation of urban shantytowns in the capital's outskirts became a growing symbol of the imbalance between urban and rural development in postwar Mexico.

With wartime calls for unity and austerity now well past, the Cárdenas faction of the PRI reemerged as a powerful force acting on behalf of the party's core agrarian and labor constituencies. Former President Cárdenas (who continued to wield considerable influence in national politics) persuaded the party to nominate one of his followers, Adolfo López Mateos, as the PRI candidate for the 1958 presidential election.

López Mateos and the Return to Revolutionary Policies, 1958–64

The election of López Mateos to the presidency in August 1958 restored to power the PRI faction that had historically emphasized nationalism and redistribution of land. As in past elections, the PRI won handily over the conservative candidate of the opposition National Action Party (Partido de Acción Nacional—PAN) with an overwhelming 90 percent of the vote. Although the PRI regularly engaged in vote buying and fraud at the state and local levels, presidential races were not credibly contested by the opposition, and little interference was required to keep the official party in office. Although the 1958 election was the first in which women were able to vote for the president, the enfranchisement of women did not significantly affect the outcome of the presidential race.

López Mateos was widely viewed as the political heir of Cárdenas, whose nationalism and social welfare programs had

left a lasting impact on Mexican political culture. After nearly two decades of urban bias in government policy, López Mateos took tentative steps to redress the imbalance between urban and rural Mexico. His administration distributed more than 12 million hectares of land to *ejidos* and family farmers and made available new land for small-scale cultivation in southern Mexico. In addition, the IMSS program was introduced into rural areas, and major public health campaigns were launched to reduce tuberculosis, poliomyelitis, and malaria.

Whereas the government regained much of the support of agrarian interests, López Mateos's relations with organized labor were strained. As Ruiz Cortínes's labor minister, López Mateos had gained a reputation for fairness and competence in the settlement of labor disputes. As president, however, he opposed the growing radicalization and militancy among elements of organized labor and acted forcefully to put down several major strikes. Reflecting a growing ideological polarization of national politics, the government imprisoned several prominent communists, including the famed muralist David Alfaro Siqueiros. Relations between labor and the government eased somewhat in 1962, when López Mateos revived a constitutional provision that called for labor to share in the profits of large firms.

Following Cárdenas's example, López Mateos restored a strongly nationalist tone to Mexican foreign policy, albeit not with the fervor that had characterized his populist predecessor. In 1960 the government began to buy foreign utility concessions (as opposed to expropriating them, as Cárdenas had done). Some of the larger companies bought were Electric Industries (Impulsora de Empresas Eléctricas) (from the American and Foreign Power Company of the United States), Mexican Light and Power Company (from a Belgian firm), and Mexican Electric Company (Industria Eléctrica Mexicana) (from the United States-based California Power Company). The film industry, previously owned by United States firms, was also brought under Mexican control. Mexican nationalism was most evident in its response to United States-led efforts to isolate the communist regime of Fidel Castro Ruz in Cuba. Alone among the members of the Organization of American States (OAS), Mexico refused to break diplomatic relations with Cuba or to observe the hemispheric embargo of the island approved at the OAS's Punta del Este Conference in 1962 (see Foreign Relations, ch. 4).

Authoritarianism Unveiled, 1964–70

By choosing his minister of interior, Gustavo Díaz Ordaz, to succeed him, López Mateos yielded to growing concerns within the PRI about maintaining internal order and spurring economic growth. As government minister, Díaz Ordaz had been responsible for some very controversial policy decisions, including the arrest of Siqueiros, the violent suppression of several strikes, and the annulment of local elections in Baja California Sur, in which the PAN had received most of the votes.

Business interests once again received priority, and students and labor were kept under control so as not to disrupt economic growth. Antigovernment protests reached unprecedented proportions, however, in the demonstrations of the summer of 1968, just prior to the Summer Olympic Games that were to be held in Mexico City in October. From July through October, academic life in the city and throughout Mexico was halted as students rioted. The antigovernment demonstrations were ignited by student grievances, but many discontented sectors of society joined the students.

As the Olympic Games approached, the PRI and Díaz Ordaz were preparing the country to show foreign visitors that Mexico was politically stable and economically sound. Student unrest grew louder and more violent, however. Student demands included freedom for all political prisoners, dismissal of the police chief, disbanding of the antiriot police, guarantees of university autonomy, and the repeal of the "law of social dissolution" (regulating the punishment of acts of subversion, treason, and disorder). Luis Echeverría Álvarez, the new interior minister, agreed to discuss the issues with the students but changed his mind when they demanded that the meeting be televised. The students, their demands unmet, escalated the scale and frequency of their protests. In late August, they convened the largest antigovernment demonstration to date, rallying an estimated 500,000 protesters in the main plaza of the capital. Seeking to bring a halt to the demonstrations, Díaz Ordaz ordered the army to take control of UNAM and to arrest the student movement leaders.

To show that they had not been silenced, the students called for another rally at the Plaza of the Three Cultures in Mexico City's Tlatelolco district. On October 2, 1968, a crowd of about 5,000 convened on the plaza in defiance of the government crackdown. Armed military units and tanks arrived on the scene and surrounded the demonstrators, while military heli-

copters hovered menacingly overhead. The helicopters began to agitate the crowd by dropping flares into the densely packed gathering. Shortly thereafter, shots rang out (according to some accounts, the shooting was started by the military, while others claim the first shots were fired at soldiers by antigovernment snipers in the surrounding buildings). The panicked crowd suddenly surged toward the military cordon, which reacted by shooting and bayoneting indiscriminately into the crowd. Estimates of the number of people killed ranged from several dozen to more than 400. Despite the violence, the Olympic Games proceeded on schedule. However, the Tlatelolco massacre had a profound and lasting negative effect on the PRI's public image. The authoritarian aspects of the political system had been starkly brought to the surface.

Reconciliation and Redistribution, 1970–76

Despite the groundswell of urban protest unleashed against the government, the PRI candidate easily won the 1970 presidential election. The new president, Echeverría, was expected to continue his predecessor's policies. Contrary to expectations, however, once in office Echeverría swung the ideological pendulum of the regime back to the left. The government embarked on an ambitious public relations campaign to regain the loyalty of leftist intellectuals and the young. To solidify the support of its core labor and agrarian constituencies, the PRI also launched a barrage of social welfare programs.

Echeverría was determined to coopt the dissatisfied elements of the middle class that had become radicalized during the 1960s. Government patronage became an important mechanism of rapprochement. Thousands of intellectuals and young leftists were given posts in the government's bloated bureaucracy, and prominent student leaders were brought into the president's cabinet. To attract support from the young—who now represented a majority of the population—Echeverría lowered the voting age to eighteen, and the ages for election to the Senate and Chamber of Deputies to thirty and twenty-one, respectively. In addition, he freed most of the demonstrators arrested during the raid on UNAM and the Tlatelolco massacre.

Despite his aversion to domestic communist movements, Echeverría became a champion of leftist causes in Latin America. He was a strong advocate of the proposed "new international economic order" to redistribute power and wealth more

equitably between the industrialized countries and the developing world. Demonstrating his independence from the United States, Echeverría became only the second Latin American head of state to visit Castro's Cuba. In 1974 he warmly received Hortensia Allende, widow of leftist Chilean president Salvador Allende Gossens, as a political refugee from Chile's right-wing military dictatorship.

In domestic economic affairs, the Echeverría administration ended the policies of stabilizing development that had been pursued since the early 1950s. Echeverría abandoned Mexico's commitment to growth with low inflation and undertook instead to stimulate the economy and redistribute wealth through massive public-spending programs. The new policy of "shared development" was premised on heavy state investment in the economy and the promotion of consumption and social welfare for the middle and lower classes.

The focus of Echeverría's social welfare policies was the Mexican countryside. Despite ample evidence that the *ejidos* were less efficient than private farming, Echeverría resumed the redistribution of land to *ejidos* and expanded credit subsidies to cooperative agriculture. The government also pursued an extensive program of rural development that increased the number of schools and health clinics in rural communities. By refusing to defend rural property owners from squatters, the Echeverría government encouraged a wave of land invasions that reduced land pressure in the countryside but seriously undermined investor confidence.

In addition to providing broad subsidies for agriculture, the government embarked on several costly infrastructure projects, such as the US$1 billion Lázaro Cárdenas-Las Truchas Steel Plant (Sicartsa) steel complex in Michoacán state. State subsidies to stimulate private and parastatal (see Glossary) investment grew from 16 billion pesos (US$1.2 billion) in 1970 to 428 billion pesos (US$18.6 billion) by 1980. Although this type of spending generated high economic growth throughout the 1970s, much of the money was either wasted in unnecessary and inefficient projects or lost to corruption. The government relied heavily on deficit spending to finance its domestic programs, incurring heavy debt obligations with foreign creditors to make up the shortfall in public revenues.

Under Echeverría, the historically uneasy relationship between the PRI and the national business community took a sharp turn for the worse. Echeverría's antibusiness rhetoric and

the government's interference in the economy deterred new foreign and domestic investment. Although the government avoided full-scale expropriations, it increased the state's role in the economy by buying out private shareholders and assuming control of hundreds of domestic enterprises. By the end of Echeverría's term, the government owned significant shares in more than 1,000 corporations nationwide.

Despite warning signs of a looming financial crisis, deficit spending continued unabated throughout Echeverría's *sexenio.* The public sector's foreign debt rose by 450 percent to US$19.6 billion in six years, while the peso was allowed to become overvalued. By the end of his *sexenio,* Echeverría was facing the consequences of his administration's unrestrained spending. In August 1976, mounting currency speculation, large-scale capital flight, and lack of confidence in Mexico's ability to meet its debt repayment schedule forced the government to devalue the peso for the first time since 1954. The outgoing president bequeathed to his successor, José López Portillo y Pacheco, an economy in recession and burdened by severe structural imbalances. The only bright spot in an otherwise bleak economic picture was the discovery in the mid-1970s of vast reserves of oil under the Bahía de Campeche and in the states of Chiapas and Tabasco.

Recovery and Relapse, 1976–82

President López Portillo was inaugurated on December 1, 1976, amid a political and economic crisis inherited from the previous administration. A rising foreign debt and inflation rate, a 55 percent currency devaluation, and a general climate of economic uncertainty that had spurred capital flight plagued the economy. The new administration also faced a general lack of confidence in government institutions. Unexpected help arrived as a result of the confirmation of the large oil reserves. The Mexican government chose to follow a policy of increasing oil production only gradually to prevent an inflationary spiral that would disrupt economic recovery. Nevertheless, by 1981 Mexico had become the fourth largest producer of oil in the world, its production having tripled between 1976 and 1982. While production increased, so did the price per barrel of crude oil.

The immense revenues generated by oil exports during the administration of López Portillo gave Mexico a greater degree of confidence in international affairs, particularly in its ever

important relations with the United States. The government, for example, refused to participate in the United States-led boycott of the 1980 Summer Olympic Games in Moscow. When the two countries could not agree on the price of natural gas, Mexico flared its excess resources rather than sell to the United States below its asking price. Also in defiance of United States wishes, Mexico recognized the Farabundo Martí National Liberation Front rebels in El Salvador as a representative political force. These steps occurred although the United States remained Mexico's major oil customer and its major source of investment capital (see Petroleum, ch. 3; Foreign Relations, ch. 4).

As in so many developing countries, oil did not solve all of Mexico's problems, however. The oil industry grew rapidly but could not employ the ever-increasing ranks of the unskilled. Oil made Mexico a rich nation in which a majority of the people continued to live in poverty. Foreign banks and the international lending agencies, seeing Mexico as a secure investment with abundant energy resources, flooded the country with loans that kept the peso overvalued.

"The Crisis" Begins, 1982

Although its effects rippled through every aspect of national life, the roots of what came to be known simply as "the crisis" were exclusively economic. The roots of the crisis lay in the oil boom of the late 1970s. Oil prices rose sharply at a time when oil exploration in Mexico was at a peak. The nation found itself awash in petrodollars. Its infrastructure, barely adequate before the boom, was overwhelmed by the influx of imported goods that followed Mexico's rising foreign exchange reserves and the overvalued peso. López Portillo promised "to transform nonrenewable resources into renewable wealth." In other words, he vowed to invest substantial amounts of the new oil revenue in areas and projects that would establish sustainable economic growth. This promise went unfulfilled.

Government spending did increase substantially following the oil boom. Little, if any, of the new spending, however, qualified as productive investment. Food subsidies, long a political necessity in Mexico, accounted for the largest single portion of the new spending. Although impossible to quantify, many accounts agree that the level of graft and corruption skyrocketed. The new money fueled a level of inflation never before seen in modern Mexico; the inflation rate eventually surpassed

100 percent annually. The López Portillo administration chose to ignore warning signs of inflation and opted instead to increase spending.

The macroeconomic trends that preceded the crisis also displayed warning signs that went unheeded. Oil income rose from 1979 to 1980. Oil exports began to crowd out other exports; the petroleum sector accounted for 45 percent of total exports in 1979, but dominated exports with 65.4 percent of the total in the second quarter of 1980. Like so many other developing nations, Mexico became a single-commodity exporter. With almost 50 billion barrels in proven reserves serving as collateral, Mexico also became a major international borrower. Significant foreign borrowing began under President Echeverría, but it soared under López Portillo. Foreign banks proved just as shortsighted as the Mexican government, approving large loans in the belief that oil revenue expansion would continue over the terms of the loans, assuring repayment. Hydrocarbon earnings for the period from 1977 to 1982, US$48 billion, were almost matched by public-sector external borrowing over the same period, which totaled US$40 billion. By 1982 almost 45 percent of export earnings went to service the country's external debt.

Living standards had already begun to decline when the oil glut hit in 1981. Although the economy grew by an average of 6 percent per year from 1977 to 1979, purchasing power over that period dropped by 6.5 percent. By mid-1981, overproduction had softened the international oil market considerably. In July the government announced that it needed to borrow US$1.2 billion to compensate for lost oil revenue. The month before, Pemex had reduced its sales price for crude oil on the international market by US$4 per barrel. Continued high import levels and the drop in oil exports had boosted Mexico's current account deficit to US$10 billion. This uncertain situation—high external debt, stagnant exports, and a devalued currency as of February 1982—prompted investors to pull their money out of Mexico and seek safer havens abroad. This action, in turn, led López Portillo to nationalize the banks in September 1982 in an effort to staunch wounds that were largely of his own making.

López Portillo left office in 1982 a discredited figure, in no small part because the press publicized accounts of his luxurious lifestyle. The Mexican public, long-suffering and pragmatic in political matters, found López Portillo's calls for "sacrifice"

and austerity unacceptable when contrasted with his own lifestyle.

To the Brink and Back, 1982–88

The de la Madrid *Sexenio*, 1982–88

When he took office in December 1982, Miguel de la Madrid Hurtado faced domestic conditions arguably more serious than those confronting any postrevolutionary president. The foreign debt had reached new heights, the gross national product (GNP— see Glossary) was contracting rather than growing, inflation had hit 100 percent annually, and the peso had lost 40 percent of its value. Moreover, and perhaps most critical, the Mexican people had begun to question and criticize the system of one-party rule that had caused this situation. Abroad, commentators (including United States president Ronald W. Reagan) speculated as to the potential for revolutionary upheaval in what had been considered a stable, if not democratic, southern neighbor. Some Mexicans shared this concern. The government and most in the PRI, de la Madrid included, believed that they could continue to hold power by keeping the people well fed and reversing economic trends.

Hand-picked by López Portillo, de la Madrid inherited the former president's economic mismanagement and that of several of his predecessors. Lack of fiscal restraint, encouraged by a sudden flood of oil wealth, lay at the root of the crisis. Overprinting of the peso cheapened the currency, fed inflation, and exacerbated rather than cured the economic sins that prompted it. And corruption, the traditional parasite of economic vitality in Mexico, made its contribution to the crash.

Although weak compared with earlier presidents, de la Madrid still wielded formidable power in both the economic and political arenas. The day of his inauguration, he recognized the nation's "emergency situation" by instituting a sweeping program of economic austerity measures. The ten-point program included federal budget cuts, new taxes, price increases on some previously subsidized items, postponement of many scheduled public works projects, increases in some interest rates, and the relaxation of foreign- exchange controls enacted during the waning days of the López Portillo administration. Aside from its anticipated adverse impact on the standard of living, many Mexicans resented the program for other reasons. Nationalists saw the measures as inspired and all but

imposed by the International Monetary Fund (IMF—see Glossary), which reportedly had taken a hard line in debt talks with the government. Others resented the austerity edicts because they believed that the government and the PRI had brought the nation to the brink of ruin, but that the people would have to bear the burden of official incompetence.

The sudden reversal of a long trend of steady economic growth in Mexico threw the political system into turmoil, undermined the authority of the PRI, and raised the already high levels of popular skepticism. Economic austerity exacerbated the elitist aspect of the populist authoritarian system that developed after the Revolution. Conditions such as inflation, devaluation, and the withdrawal of subsidies hit the poor hardest. The wealthy found ways to insulate themselves from such developments; as a result, the rich grew richer. This was true both within the private sector and among the bureaucracy. In addition to the schism between the poor and the rich, the crisis and its impact on the PRI's authority sharpened the long-standing dichotomy between central and southern Mexico and the north. The immediate political beneficiary of the crisis was the PAN, a conservative, probusiness party with its roots in the northern border states.

To counteract the ferment, the government decided to allow some opening of the political system—enough to provide a safety valve for public discontent—but not enough to threaten the PRI's control, a balance difficult to attain. The first volley in the campaign against the PRI and its policies came with the elections of July 3, 1983. Although the PRI took a large majority of municipal and state legislative races in five northern states, the PAN captured an unprecedented nine mayoralties and registered gains in all five state legislatures.

In addition to the economic and political arenas, de la Madrid sought to exert influence in the area of ethics. Early in his administration, the president announced a program of "moral renewal." Despite its high-minded rhetoric, the program never enacted major legislation to discourage corrupt practices. One exception was a new rule that eliminated government subcontracting, a device that union leaders often used to earn kickbacks from contractors. In addition to instituting this new rule, the moral renewal campaign chose to make examples of a handful of corrupt officials, including former Pemex director Jorge Díaz Serrano and former Mexico City

police chief Arturo Durazo Moreno, both of whom served prison sentences for illegal personal gain.

The United States and the Crisis in Mexico

Historically, United States relations with Mexico have followed a reactive pattern of neglect, activism, and intervention. The crisis of the 1980s, which appeared to threaten the long-standing stability of Mexico, triggered a new period of activist attention to its southern neighbor by the United States. The prospect of an economically overextended Mexico defaulting on US$100 billion in foreign loans caused alarm in Washington and throughout the industrialized world. The possibility of resulting political upheaval was particularly worrying to the United States. As a result, other lesser issues between the two countries—migration, drugs, environmental concerns, investment, and trade—received increased attention.

United States president Reagan, a former governor of California, brought to the White House an appreciation of the importance of the relationship between the two countries. Reagan met with President López Portillo in Ciudad Juárez on January 5, 1981, becoming the first United States president-elect to visit Mexico. One of the topics that the two leaders discussed in Ciudad Juárez was the political crisis in Central America, where the leftist Sandinista National Liberation Front (Frente Sandinista de Liberación Nacional—FSLN), also known as Sandinistas (see Glossary), held power in Nicaragua and supported guerrilla movements in El Salvador and Guatemala. López Portillo reportedly cautioned Reagan, a conservative who had strongly condemned the Nicaraguan government, regarding United States intervention in the region. At this time, Mexico considered Central America, particularly Guatemala, to lie within its geopolitical sphere of influence. Mexican policy, since the victory of the FSLN in 1979, had sought to provide an alternative to United States, Cuban, or Soviet influence on the isthmus. This Mexican strategy, however, eventually failed because Cuban influence on the Nicaraguan Sandinistas was rooted in years of clandestine support for the revolutionary cause.

The United States, however, rejected Mexico's conciliatory approach to Central American affairs in favor of military support to friendly governments, such as those in El Salvador and Honduras, and the even more controversial policy of backing anti-Sandinista guerrilla forces. After the economic crisis of

1982, Mexico lost much of its influence in Central America. Mexican governments, in turn, also became more guarded in their criticism of United States policy in order to assure Washington's support in financial forums such as the World Bank (see Glossary) and the IMF.

Although the two nations did not always agree on the best strategy for dealing with Mexico's burgeoning foreign debt, the United States government continued to work with the Mexicans and support efforts to buoy the Mexican economy and reschedule the debt. Washington announced the first of several debt relief agreements in August 1982. Under the terms of the agreement, the United States purchased ahead of schedule some US$600 million in Mexican crude oil for its strategic oil reserve; the United States treasury also provided US$1 billion in guarantees for new commercial bank loans to Mexico. Privately, United States officials reportedly pressured commercial banks to postpone a US$10 billion principal payment that fell due that same month.

A bank advisory group representing 530 foreign creditors reached an accord with Mexico in late August 1984. The rescheduling agreement allowed Mexico to repay its foreign debt over a term of fourteen years at interest rates lower than those originally contracted. United States Federal Reserve Board Chairman Paul A. Volcker, among others, had pushed for the interest rate reduction, in part as recognition of Mexico's having instituted difficult austerity measures and needing some fiscal relief in order to restore economic growth.

Other concerns meanwhile strained the Mexican-United States relationship. Perhaps the most dramatic was drug trafficking. The consumption of cocaine rose steadily in the United States during the late 1970s and early 1980s, becoming a major law enforcement and public health problem. Mexico has never been a major producer of cocaine. Geography, however, made Mexico a conduit for the transshipment of cocaine hydrochloride from South America to the United States. Difficult terrain; sparse population in many rural areas; an adequate infrastructure for transporting goods by land, sea, and air; and the relative ease of bribing both local and federal officials all lured drug traffickers to use Mexico as a conduit.

Eventually, an isolated incident came to symbolize Mexican drug corruption and the friction between the two nations on the issue of drug trafficking. The United States Drug Enforcement Administration (DEA) maintained a comparatively large

presence in Mexico. One of its resident offices operated out of the consulate in Guadalajara. In March 1985, Mexican authorities unearthed the body of DEA special agent Enrique Camarena on a ranch in Michoacán state, some 100 kilometers from Guadalajara. Mexican drug traffickers, reports later revealed, had tortured Camarena to death, perhaps in retaliation for his discovery of a major marijuana cultivation operation. Initial protest from the United States government brought little or no response from Mexican officials. As a result, the United States Customs Service closed nine lesser points of entry from Mexico to the United States and began searching every vehicle that passed northward. The resultant traffic backups, complaints, and economic losses infuriated the Mexican government. Mexicans claimed that the appearance of their inaction stemmed from misperceptions of the Mexican legal system, not from efforts to protect drug traffickers.

Despite the eventual arrest of a key suspect in the Camarena murder, relations between the United States and Mexico on the drug issue followed a rocky course. On April 14 and 15, 1985, United States Attorney General Edwin Meese III met with his Mexican counterpart, Sergio García Ramírez. The two agreed to closer monitoring of the two nations' joint counterdrug programs. The Camarena case, however, continued to cast a pall over these efforts. Leaked information from the United States Department of State and from law enforcement agencies indicated that Mexican authorities had made only token efforts against drug production and trafficking. According to Department of State figures, by the end of 1985, Mexico was the largest exporter of marijuana and heroin to the United States. Efforts at eradicating these crops had failed abysmally, and output in 1985 exceeded 1984 levels.

As controversy continued over Mexican drug policy, United States politics forced another bilateral issue to the fore. The United States had made sporadic efforts over the years to exert greater control over its porous southern border. Mexican and Central American illegal immigrants crossed the border almost at will to seek low-paid jobs. Organized labor, among others, urged the United States Congress to act. This pressure, based on the belief that illegal aliens took large numbers of jobs that United States citizens might otherwise fill, gave impetus to the Simpson-Rodino bill of 1986. The bill's two major provisions constituted a carrot and a stick for illegal immigrants. The carrot came in the form of an amnesty for all undocumented resi-

dents who could prove continuous residence in the United States since January 1, 1982. The stick imposed legal sanctions on employers of illegal aliens, an unprecedented attempt to deter migrants indirectly by denying them employment.

The Simpson-Rodino bill, which became law as the United States Immigration Reform and Control Act of 1986, represented the most serious effort to date to reduce illegal Mexican immigration. Northern migration had provided an economic safety valve from the Mexican economy's chronic inability to produce sufficient employment. Many Mexicans resented the timing of this new law, which came in the midst of severe economic distress in Mexico and relative prosperity in the United States. Although the level of migration dropped immediately after passage of the law, joblessness and poverty eventually drove the number of illegal migrants up again.

Despite the irritants of drug trafficking and migration, the United States concern for stability in Mexico led both countries to continue the search for a solution to Mexico's crushing debt burden. By the end of 1987, the United States government publicly recognized that Mexico could not "grow its way out" of the debt merely by stretching out payments and investing more borrowed funds. Acknowledging that some portion of the debt would never be repaid, the Department of the Treasury offered to issue zero-coupon bonds that would allow Mexico to buy back its debt at a discount (see 1982 Crisis and Recovery, ch. 3). Although not a panacea, the plan represented a new approach to the debt problem, one that helped to improve Mexican public opinion of the United States.

Economic Hardship

While the Mexican government, with assistance from the United States, struggled to improve its status in the world financial community, conditions at home remained unsettled. After the GNP contracted by 5 percent in 1983, Mexican optimism surged briefly in 1984, when the economy posted a 3.5 percent growth rate. The next year hope faded as the economy contracted by 1 percent.

A major natural disaster in 1985 further depressed the economic situation. In mid-September, central Mexico experienced two major earthquakes. Between 5,000 and 10,000 people died as a result, and some 300,000 lost their homes. The cost of relief and reconstruction placed a heavy burden on an already struggling nation. The de la Madrid administration suc-

cessfully cited the earthquakes as negotiating points in its efforts to obtain better terms from its creditors.

In the political arena, initial optimism also gave way to disillusionment. The liberalization that appeared to have begun in 1983 ended by 1984. The ruling PRI easily swept municipal elections in the northern cities of Mexicali and Tijuana, in Coahuila and Sinaloa states, and in the city of Puebla. Despite public protests alleging widespread fraud, the results stood. The PRI easily maintained its majority in congress, but some party leaders were concerned that of the combined vote in five large cities—Mexico City, Guadalajara, Nezahualcóyotl, Monterrey, and Ciudad Juárez—the PRI polled less than 45 percent. The vote in the northern cities could be seen to reflect the traditional regional schism, but the poor showing in the capital area and Guadalajara signaled a growing alienation from the PRI, particularly among the middle class.

Moreover, the persistent fall in oil prices and continuing high levels of foreign debt service forced a new round of austerity measures. De la Madrid effected an additional US$465 million in federal budget cuts by reducing subsidies and government investments, selling more than 200 state-owned parastatals, and placing a partial freeze on federal hiring. As the president announced these new belt-tightening measures, he could also point to some significant achievements. Inflation, which had exceeded 100 percent in 1982, had declined to 60 percent annually. The public-sector deficit had also decreased from 13.6 percent of gross domestic product (GDP—see Glossary) to 6.9 percent. Although these figures fell short of the goals prescribed by the IMF, they represented progress.

De la Madrid did not exaggerate the importance of these positive economic indicators. In his 1986 State of the Nation address, he declared that "our austerity effort is permanent" and vowed again not to deviate from his economic course. Just months before, his administration had reached a precedent-setting agreement with the IMF in which the amount of new loans to Mexico would be tied to fluctuations in the world price of crude oil. But the crisis was far from over.

Carlos Salinas de Gortari: Economic Liberalization, Political Indecision

The Passing of the Torch, 1987–88

The year 1987 in Mexico was the last full year of de la

Madrid's presidential term. In both economic and political terms, de la Madrid's last months in office proved tumultuous. Economically, the administration's failure to restore sustainable growth rates produced a new flare-up. On November 18, 1987, the government recognized the overvalue of the peso and announced that the national currency would be allowed to float on the free exchange market. The free float produced an overnight devaluation of 18 percent; devaluation in turn reignited inflation, which jumped to 144 percent on an annual basis. To avoid an economic disaster, de la Madrid mandated the Economic Solidarity Pact among government, business, and labor to control both prices and wages. Although the government had always exercised immense influence over the economy, wage and price controls of this scope were unheard of. Their implementation by a president who had made sincere but ineffective efforts to liberalize the economy demonstrated both de la Madrid's frustration and his determination to avoid personal blame for the intractable crisis.

The man who inherited this unenviable legacy was a forty-year-old economist with wide experience in the Mexican bureaucracy. Carlos Salinas de Gortari was de la Madrid's minister of budget and planning when the president decided that Salinas was best qualified to assume the helm of state. The selection of Salinas appeared calculated to signal the continuation of de la Madrid's austere economic policies, which were largely shaped by Salinas. A Harvard-educated Ph.D., Salinas was a *técnico*, a competent technocrat with little or no grassroots political experience. Technically, he was highly qualified to deal with the nation's problems. Politically, however, he had to define himself on the campaign trail.

Although throughout his administration de la Madrid had publicly vowed to promote political reform, this promise was not realized. De la Madrid's failure to open up the political system to genuine competition dashed the expectations of Mexicans both within and outside the ruling party. As a result some disaffected PRI members chose to establish the Democratic Current (Corriente Democrático—CD) within the party in October 1986.

The CD leaders were Porfirio Muñoz Ledo, a former chairman of the PRI, and Cuauhtémoc Cárdenas, former governor of Michoacán state and son of president Cárdenas. The primary issue binding the faction members together was the exclusionary nature of party-nominating procedures. They par-

ticularly condemned the practice of the *dedazo*, whereby the sitting president chooses his successor, who is then declared the party's candidate by acclamation. In addition, CD members and their sympathizers also objected to de la Madrid's austere economic policies on nationalistic grounds. The president, they believed, had mortgaged the national patrimony to foreigners. Such policies, these dissidents claimed, resulted from the noncompetitive nomination of *técnico* presidents who had no feeling for the plight of the average Mexican.

The CD did not find a receptive audience for its message within the PRI. At the party's national assembly in March 1987, party president Jorge de la Vega condemned the CD, recommending that those who could not abide by the party's rules should resign. Months later, the PRI leadership formally "condemned, rejected, and denounced" Muñoz and Cárdenas, rendering them persona non grata within their own party.

Ostracized by his former party members, Cárdenas declared himself an independent candidate for president on July 3, 1987. Backed by a coalition of leftist parties that eventually dubbed itself the National Democratic Front (Frente Democrático Nacional—FDN), Cárdenas advocated a "return to the original principles of the Mexican Revolution." The candidate's familial heritage infused this message with legitimacy and had considerable emotional appeal for the Mexican voter. Nationalistic policy prescriptions, such as repudiation of the foreign debt and the redistribution of oil exports away from the United States, appealed to the poor, whose lives had clearly not improved under de la Madrid's administration. Like most Mexicans, Cárdenas was mestizo. The prospect of rule by someone other than an elite, light-skinned *técnico* further added to Cárdenas's appeal.

Many in the PRI recognized the threat posed by Cárdenas's candidacy. In response, the party leadership attempted to make it appear that the presidential nominating process had been made more pluralistic. On August 14, 1987, de la Vega announced a list of six candidates for the nomination, including Salinas, but not Cárdenas. The convention formally nominated Salinas on October 4, 1987. Salinas began his campaign having to defend unpopular policies against a popular rival at a time when his party's solidarity and influence were in question. Despite Salinas's pronouncements mandating electoral probity, the July 1988 elections appeared to most observers to be fraudulent. The most serious incidents were the deaths of two key

aides to Cárdenas, Xavier Ovando and Román Gil, which were never adequately explained.

Post-election reports by outside observers and voter interviews indicated that much of the rural vote experienced some degree of tampering; the FDN and the PAN had insufficient observers to monitor such elections. After much delay, the election commission declared Salinas the winner on July 13, 1988. The surprise was the total number of votes for the victor—50.36 percent. The low total, which itself spoke of manipulation, demonstrated the people's disaffection with the PRI.

President Salinas

The 1988 election did not end Salinas's struggle to succeed his mentor, de la Madrid. Cárdenas rejected the Electoral Commission's results, which showed him with 31.1 percent of the national vote. On July 17, 1988, Cárdenas addressed a rally of some 200,000 in Mexico City, in an effort to force a recount. Eventually, along with the PAN candidate Manuel Clouthier, the two opposition candidates united to demand that the elections be nullified and an interim president appointed.

On August 15, 1988, the National Congress, sitting as the electoral college, met to ratify the presidential vote. Cárdenas filed criminal charges against Minister of Interior Manuel Bartlett Díaz, who also served as head of the Federal Electoral Commission. Despite an August 15 rally by the FDN and the PAN, nationwide protests never materialized; the electoral college ratified Salinas's victory as expected.

Meanwhile, during his final months in office, de la Madrid sought to maintain the economy on an even keel for his successor. On August 15, 1988, the government extended the wage and price freeze through November 30, the end of de la Madrid's term. The freeze had done what had been expected—it had reduced inflation from 15.5 percent in January to 1 percent in August. To ease the burden somewhat on the poor, the administration also eliminated a 6 percent value-added tax on basic foodstuffs and medicine and decreed a 30 percent tax cut for low-income workers. The exchange rate of the peso to the dollar remained fixed at the 2,270-to-1 level established in December 1987.

On October 17, 1988, the United States government announced a US$3.5 billion loan to Mexico to help ease the revenue shortfall resulting from the continued drop in oil prices. The loan was considered a bridge loan to tide Mexico

over until it could reach agreement with the IMF and the World Bank. Many observers considered the United States action to have been prompted more by political concerns than economic ones. From 1982 to 1988, real income in Mexico had fallen by 40 percent; inflation had reached almost 160 percent annually, privatization efforts had eliminated thousands of jobs that had not yet been replaced by the private sector, and the economy had contracted more than it had grown. In late April 1988, candidate Salinas visited the United States to sound out both United States presidential candidates George H.W. Bush and Michael Dukakis and to visit with members of the United States Congress, interest groups, the press, academics, and influential Mexican-Americans. Even before his election, it was clear that Salinas set great store on productive relations with Mexico's northern neighbor. The October loan may have been one result of his efforts.

Salinas took office on December 1, 1988. In preinaugural interviews, he promised the "political, economic, and cultural modernization" of Mexico and an improvement in Mexico's standing abroad. During the inaugural ceremony, Cárdenas's supporters walked out in protest; PAN members protested silently throughout. In his speech, Salinas stressed the importance of a sound economy to the nation's future. The debt, he claimed, was the primary problem in this regard. He urged further renegotiation, "no longer to pay, but to return to growth." Salinas, however, had no intention of reneging on any portion of the debt. The new president also promised further political reform.

Salinas made the economy his first priority. On December 12, 1988, he ended the wage, price, and exchange-rate freeze instituted under de la Madrid. In its place, the new president advocated price restraint, a modest wage increase, and a scheduled devaluation averaging one peso per day against the dollar. Salinas endorsed de la Madrid's efforts for Mexico's entry into the General Agreement on Tariffs and Trade (GATT), although imports had risen and foreign reserves had dwindled since membership had first been proposed. Salinas privately held that Mexico must open and integrate itself more extensively into the world economy in order to progress and meet the employment needs of a burgeoning young population. Over the short term, however, he admitted that 1989 would be a "year of transition," with little overall economic growth.

Initially, Salinas hoped to diversify Mexico's markets by expanding trade with the industrialized nations of Europe and perhaps with Japan. A state tour of Europe and other contacts, however, convinced him that this hope was illusory. Geography, history, infrastructure, investment, financial ties, and other factors made the United States the arbiter of Mexican economic progress, whether President Salinas liked it or not. Accordingly, Salinas began to develop a notion that he had first proposed to United States president-elect Bush in late November 1988. The Mexican president-elect suggested the establishment of free trade between the two nations, as a natural extension of bilateral agreements already negotiated in such areas as steel, textiles, and automobiles. Bush had promised to take the suggestion under advisement.

In several ways, Salinas followed the pattern established by his predecessor. He wasted little time in moving against potential political enemies in his own moral renewal campaign. Where de la Madrid had moved quietly, however, Salinas acted more dramatically. The corrupt leader of the oil workers union, Joaquín Hernández Galicia (also known as La Quina), surrendered after a gunfight with federal police at union headquarters (see Petroleum, ch. 3). Subsequently, authorities took into custody broker Eduardo Leorreta, a PRI member and former fundraiser for the party, on charges of tax fraud.

With his political flanks covered, and having included both *técnicos* and oldtime PRI members (disparagingly nicknamed "dinosaurs") among his cabinet, Salinas felt secure enough to begin his program of economic liberalization and reform. In May 1989, he ended previous restrictions on foreign ownership of business in Mexico and opened to foreign investment some previously restricted areas. The president also promised to simplify the bureaucratic process that often had deterred investors in the past. The new administration also continued the process of privatization begun under de la Madrid. The major casualty of this process was Altos Hornos de México, a state-owned steel mill in Monclova, where 1,740 workers lost their jobs under a foreign-financed modernization program begun in June 1989. The previous administration had closed outright the Fundidora Monterrey, another steel mill, in 1986, putting almost 13,000 out of work.

In laying the groundwork for economic liberalization, the government announced in July 1989 that it had reached another accord with its foreign creditors after four months of

negotiations. Under the so-called Brady Plan, an approach advocated by United States Secretary of the Treasury Nicholas F. Brady to reduce Mexico's debt principal, the IMF agreed to provide US$3.5 billion over three years, US$1 billion of which was designed to assure Mexico's bank payments. In addition, the World Bank was to provide US$6 billion over three years for economic development and guarantees. The government of Japan also provided US$2.05 billion in debt reduction loans. Foreign creditor banks received three options: to make new loans to Mexico, to reduce the principal by writing off some percentage of their loans, or to cut the interest rates they charged on Mexican loans. The net effect of the terms was to reduce Mexico's foreign debt payments by US$8 billion per year.

The debt agreement behind him, Salinas began to make good on his promise of political reform. In the balloting of July 1989, the PRI conceded the governorship of Baja California Norte to the candidate of the PAN. This was a historic event, the first time that the PRI had admitted the loss of a state election. At the same time, however, the PRI took a firm stand in Cárdenas's home state of Michoacán, where the ruling party claimed to have won eleven of eighteen seats in the state legislature. Cárdenas's party, now known as the Democratic Revolutionary Party (Partido Revolucionario Democrático—PRD), protested that its candidates had taken fifteen of the eighteen seats. The PRI, they claimed, had stuffed ballot boxes.

Allegations of voting fraud aside, the United States government, led by President Bush, was very supportive of Salinas and his efforts, particularly in the economic arena. Salinas's original suggestion of a free-trade agreement received serious consideration in Washington. Eventually, after the debt reduction agreement and liberalization efforts in such areas as foreign investment and privatization, United States officials felt that a free-trade accord was a logical next step in opening the Mexican economy and incorporating it into a North American trading bloc. Accordingly, on June 11, 1990, the two governments agreed in principle to negotiate a "comprehensive free-trade agreement" that would eliminate not only tariff barriers, but also "import quotas, licenses, and technical barriers" to the free flow of goods, services, and capital between the two nations. As negotiations progressed, the treaty would become known as the North American Free Trade Agreement (NAFTA) (see Trade Agreements, ch. 3). The agreement fit logically into Sali-

nas's vision of a modernizing Mexico, at least in an economic sense. In 1992 NAFTA was approved by the legislatures of Mexico, the United States, and Canada to take effect on January 1, 1994.

With the president's support, congress passed modest political reforms during the last half of Salinas's term. In 1992 constitutional restrictions on the Roman Catholic Church were repealed (see Church-State Relations, ch. 2). The following year, congress passed a package of electoral reforms, including limits on campaign financing, expansion of the Senate to allow a third minority-party senator from each state, and increased proportional representation in the Chamber of Deputies (see The Salinas Presidency: Reform and Retrenchment, ch. 4).

As in previous *sexenios,* the last year of the Salinas administration was a time of crisis. On January 1, 1994, the Zapatista Army of National Liberation (Ejército Zapatista de Liberación Nacional—EZLN), a heretofore unknown group, suddenly overran several towns in Chiapas (see National Security Concerns, ch. 5). The overwhelming military response forced the rebels into the mountains, but the rebels' demands for reform reminded the country that recent economic improvements had failed to reach many in the lower classes or in the impoverished south.

Political uncertainty increased during 1994. In March Luis Donaldo Colosio Murrieta, the PRI presidential candidate, was assassinated while campaigning in Tijuana. Several investigations failed to produce a motive or the existence of a conspiracy. Rumors circulated, however, that the assassination was drug-related or the action of old-line PRI members opposed to political reform. Anxious to divorce itself from a reputation of fraud, the PRI quickly nominated reform-minded Ernesto Zedillo Ponce de León as its presidential candidate. Zedillo had been Salinas's secretary of budget and secretary of education and was widely perceived as someone who would continue Salinas's policies.

With all eyes focused on the presidential campaign and the uprising in Chiapas, few noticed the worsening economy in 1994. A rising deficit in the current account made the economy increasingly vulnerable to shifts in external capital flow. Although statistics showed a healthy rise in exports, most of the exports were goods from the border-zone *maquiladora* (see Glossary) industries, with little overall benefit to the Mexican economy or Mexican workers. In addition, rising interest rates in the United States diverted much-needed capital from the

developing world. The government was reluctant to take stringent economic measures in an election year, however, and instead issued short-term, dollar-denominated bonds to finance government spending.

The election results of August 21, 1994, contained no surprises. The PRI candidate, Zedillo, won the presidency with 49 percent of the vote. The PAN took 26 percent of the total, the major candidate on the left garnered 16 percent, and six minor parties accounted for the rest. Despite some irregularities, international observers declared that the election was generally honest, and Zedillo was inaugurated on December 1, 1994.

With the election over, attention turned to the economy. Most economists felt that the currency was overvalued, and a devaluation was widely anticipated. When a devaluation was announced on December 20, however, the result was unexpected. Investors panicked, and large amounts of capital were pulled out of Mexico or converted to dollars. Government measures to stem the exodus of funds only exacerbated the problem. Government debt rose sharply, and inflation and interest rates soared. Only large-scale international intervention stopped the downward spiral.

President Salinas had hoped that his free-market economic policies and political reforms would bring sustained economic growth and increased democratization. The realities of the last years of the twentieth century differed, however. The Mexican economy suffered one of its worst downturns since the Great Depression of the 1930s. The PRI's lessening grip on power led not to stability but to an era of increased political and social turmoil. As so often in Mexico's past, in the late 1990s democracy and prosperity remained only tantalizing goals.

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An enormous wealth of historical literature exists on Mexico. Both Mexican and foreign historians have produced analyses of the developments leading to the country's position in contemporary Latin America. The most useful standard histories of Mexico are Henry Bamford Parkes's *A History of Mexico*, Charles C. Cumberland's *Mexico: The Struggle for Modernity*, Frank Tannenbaum's *Mexico: The Struggle for Peace and Bread*, and Jan S. Bazant's *A Concise History of Mexico*. Although now slightly dated, the most complete and best researched general historical analysis available in English is Michael C. Meyer

and William L. Sherman's *The Course of Mexican History*, a comprehensive book that presents Mexican history from preconquest times to the inauguration of President de la Madrid in 1982.

For the study of pre-Columbian peoples and their origins, Eric R. Wolf's *Sons of the Shaking Earth* and Michael D. Coe's *Mexico* are extremely useful. The Aztec traditions and belief system are also well researched and artfully presented in José López Portillo's *Quetzalcóatl*. The classic work of Bernal Díaz del Castillo, *The Discovery and Conquest of Mexico, 1517–1521*, remains one of the best sources of information about the arrival of the Spaniards in Mexico and the victory over the Aztec.

For the colonial period, useful studies are Clarence Henry Haring's *The Spanish Empire in America*, Charles Gibson's *Spain in America*, François Chevalier's *Land and Society in Colonial Mexico*, William B. Taylor's *Landlord and Peasant in Colonial Oaxaca*, and James Lockhart and Stuart B. Schwartz's *Early Latin America*. The struggle for independence and the Mexican Revolution are the best researched subjects. Aside from the general works already cited, useful sources include W. Dirk Raat's *Mexico: From Independence to Revolution, 1810–1910*, Victor Alba's *The Mexicans: The Making of a Nation*, Jesús Romero Flores's *La revolución mexicana (anales históricos, 1910–1974)*, John Womack Jr.'s classic *Zapata and the Mexican Revolution*, and many more.

For the modern period, the following sources are helpful: Thomas G. Sanders's *Mexico in the 70s*, Howard F. Cline's *Mexico: Revolution to Evolution, 1940–1960*, Fernando Benítez's *Lázaro Cárdenas y la revolución mexicana* (three volumes), Frank R. Brandenburg's *The Making of Modern Mexico*, Jaime Castrejón Díaz's *La república imperial en los 80s*, Kenneth F. Johnson's *Mexican Democracy*, Dan Hofstadter's *Mexico, 1946–73*, and the articles published in the *Mexican Forum*. (For further information and complete citations, see Bibliography.)